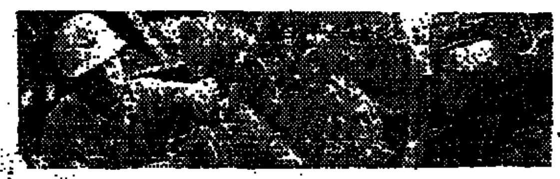
US elections *Incumbents lose their edge* Page 6

French media *Hachette counts the cost of La Cinq* Page 21



Japanese economic package *Heart massage for the faltering giant* Pages 4 and 18

Nuclear reactors *Making safe in eastern Europe* Page 16

FINANCIAL TIMES

Wednesday April 1 1992 EUROPE'S BUSINESS NEWSPAPER D 8523A

United Nations agrees sanctions against Libya

The UN Security Council last night voted to impose sanctions on Libya from April 15 unless Tripoli hands over the two alleged Lockerbie bombers.

Ten countries including Britain, the US, France and Russia backed the punitive measures, but China and India were among those that abstained. Page 20

Evidence of US recovery: Further evidence of US recovery was provided by the Conference Board index of consumer confidence which rose nearly seven points in March to 54, the first rise since last June. Page 6

Krupp lifts earnings: Despite recession overseas and stagnation in domestic markets, the German steel and engineering group put in a strong performance in its last full year before this summer's flotation, raising net earnings to DM300m ($182m) from DM217m. Page 21

Pressure on Cresson mounts: French president François Mitterrand declined to announce the expected resignation of Edith Cresson as French prime minister and the formation of a new government. Page 20 and Lex

Yeltsin concludes federal treaty: Eighteen of the 20 Russian "republics" signed a treaty designed to cement the federation together. Tatarstan, the biggest of the autonomous republics, and Chechnya, which is under a state of emergency, boycotted the ceremony. Page 2

Silence is golden: Anthony Hopkins became the third Briton in a row to win the Oscar for best actor, for his part in Silence of the Lambs. The film won five awards, including best film, best director (Jonathan Demme) and best actress (Jodie Foster).

US accused of blocking steel accord: Talks on a code governing world steel trade collapsed with the EC accusing the US of blocking an accord. The proposed Multilateral Steel Agreement intended to replace voluntary restraints on steel exports to the US market. Page 6

UK property slumps: Speyhawk, property developer, underlined the severity of the UK's worst commercial property decline for more than 50 years by announcing a £218.8m ($375m) annual loss. Page 21; Lex, Page 20

Fondiaria cements AMB link: Fondiaria, leading Italian insurance group, is spending DM562m ($340m) on a 14.2 per cent stake in Aachener und Münchener Beteiligungs, Germany's second largest insurer, in a move further cementing links between the two companies. Page 21

Indian minister quits: Indian foreign minister Madhavsinh Solanki resigned over charges that he tried to cover up investigations into the Bofors bribery scandal that embarrassed the former Congress administration under the late Rajiv Gandhi. Page 4

Aircraft talks resume: EC and US negotiators began last-ditch talks on subsidies for the manufacturers of civil aircraft, determined to resolve outstanding differences. Page 6

Glassmaking breakthrough: UK glassmakers Pilkington said it had developed a method to turn raw materials into high-quality molten glass using electric-fired furnaces, beating its three main international competitors – St Gobain of France, Asahi of Japan and PPG of the US. Page 7

Canadian air wars: The fight for survival between Canada's two leading airlines intensified with a vow by Air Canada to block an alliance between Canadian Airlines International and American Airlines. Page 23

Pretoria climbs down on VAT: The South African government agreed to continue exempting some basic foodstuffs from value added tax, giving in to pressure from trade unions, business and church groups. Page 4

First City Bancorporation, troubled Texas bank which has been seeking a buyer for months, said several potential purchasers were looking over its books. Page 23

Lonrho shares lowest since 1984: Lonrho's share price fell to its lowest level since January 1984, as Phillips & Drew Securities confirmed its resignation as the trading conglomerate's joint stockbroker. Page 22; Lex, Page 20

ABB raises stake in rail group: Asea Brown Boveri, Europe's largest electrical engineering group, increased its stake in Britain's largest railway equipment manufacturer to 80 per cant as the government announced new orders for the company. Page 7

US LUNCHTIME RATES

Federal Funds	4%	
3-mo Treas Bills: Yld	4.126%	
Long Bond	100%	
Yield	7.96%	

LONDON MONEY

3-mo Interbank	10⅞%	(10$\frac{11}{16}$%)
Liffe long gilt future:	94$\frac{5}{8}$	(Jun 94$\frac{3}{8}$)

STOCK INDICES

FT-SE 100	2,440.1	(−12.8)
Yield	5.07	
FT-SE Eurotrack 100	1,149.80	(+4)
FT-A All Share	1,171.71	(−0.5%)
Nikkei	19,345.95	(−323.36)
New York: lunchtime		
Dow Jones Ind Ave	3,256.93	(+21.69)
S&P Composite	404.92	(+1.92)

NORTH SEA OIL (Argus)

Brent 15-day	$18.1	(17.95)

Gold

New York Comex	$343.7	(341.9)
London	$342.55	(341.575)

STERLING

New York lunchtime:		
$	1.7345	
London:		
$	1.7325	(1.7315)
DM	2.855	(2.86)
FFr	9.68	(9.7)
SFr	2.605	(2.61)
Y	231	(same)
£ Index	90.2	(90.1)

DOLLAR

New York lunchtime:		
DM	1.646	
FFr	5.5815	
SFr	1.501	
Y	132.85	
London:		
DM	1.645	(1.652)
FFr	5.5775	(5.6025)
SFr	1.501	(1.506)
Y	133.16	(133.4)
$ Index	64.9	(65)

Tokyo close Y 133.05

Austria	Sch30	Hungary	Ft162	Malta	Lm0.50	S.Arabia	SR9.00		
Bahrain	Din1.000	Iceland	IKr180	Morocco	MDh11	Singapore	S$4.10		
Belgium	BFr60	India	Rs20	Neth	Fl 3.50	Spain	Pta200		
Cyprus	C£1.00	Indonesia	Rp3600	Nigeria	Naira20	Sweden	SKr14		
Czech	Kcs35	Israel	Shk5.50	Norway	NKr15.00	Switz	SFr3.00		
Denmark	DKr14	Italy	L2500	Oman	OR1.20	Thailand	Bht50		
Egypt	E£4.00	Jordan	JD1.22	Pakistan	Rs35	Tunisia	Din1.000		
Finland	FM13	Korea	Won 2500	Philippines	Peo45	Turkey	L6000		
France	FFr8.00	Kuwait	Fils 500	Poland	Zl 18,000	UAE	Dh9.00		
Germany	DM3.30	Lebanon	L£1,250	Portugal	Es190				
Greece	Dr250	Lux	LFr60	Qatar	QR10.00				

German defence minister resigns in row over arms sales to Turkey

Stoltenberg's exit blow to Kohl

By Quentin Peel in Bonn

MR HELMUT KOHL, the German chancellor, was struggling yesterday to limit the political damage to his government and party from the abrupt resignation of Mr Gerhard Stoltenberg, his defence minister, in a row over arms supplies to Turkey.

He announced the immediate appointment of Mr Volker Rühe, the 49-year-old secretary-general of the Christian Democratic Union (CDU), to succeed Mr Stoltenberg, the longest-serving and most senior member of the government.

Like Mr Stoltenberg, Mr Rühe is a northerner and a Protestant, and a staunch supporter of Nato, as well as a confidant of the chancellor and a rising star.

The resignation of the defence minister could scarcely have come at a worse moment in domestic political terms, because Mr Stoltenberg is the honorary chairman and father-figure of the CDU in Schleswig-Holstein, the northern state where elections are being held for a new government on Sunday. A key reason for his rapid departure was clearly an attempt to limit the electoral damage.

Mr Stoltenberg announced his decision at a joint press conference with Mr Kohl, after insisting on Monday that he did not intend to quit. He was taking political responsibility for the delivery last year of 15 Leopard-1 tanks to Turkey after the German parliament had ordered an embargo because of Turkish military actions against the Kurds.

The row blew up after Germany protested to Turkey at the use of German armoured cars in new operations against Kurdish guerrillas – leading to a furious slanging match with the Turkish government, traditionally a close ally inside the Nato alliance.

Only after Germany announced the renewed suspension of arms supplies – Turkey has a contract for 150 Leopard tanks, as well as equipment from the former East German army – did it emerge that the 15 tanks had been delivered in November in defiance of the parliamentary embargo.

On Monday Mr Stoltenberg announced the early retirement of the senior Defence Ministry official responsible, but yesterday, in response to a universally hostile press and the advice of close political colleagues, he decided to quit himself.

He said he had not changed his assessment of responsibility for the delivery of the tanks, "but the judgment and perceptions in a broad spectrum of public opinion are different. In addition there could be complications in the election campaigns in Schleswig-Holstein and Baden-Württemberg.

"I want to avoid damage for both the CDU and the federal government with my decision."

Mr Kohl said he was prepared to back Mr Stoltenberg in whatever decision he took, although political observers in Bonn are convinced that the defence minister came under heavy party pressure to step down.

Mr Stoltenberg was the longest-serving Christian Democrat member of the government, having first served as research minister under Mr Ludwig Erhard in 1965. He was prime minister of Schleswig-Holstein before returning to national government.

Resigned: German defence minister Gerhard Stoltenberg (left) at a meeting yesterday with Chancellor Helmut Kohl

Rühe profile and contract delay, Page 2; Observer, Page 19

Nikkei falls to lowest level for five years

By Steven Butler in Tokyo

THE TOKYO stock market dropped to its lowest level in five years yesterday as investors reacted with disappointment to an emergency economic package launched by the government and aimed at stimulating Japan's slowing economy.

Investors were also unimpressed by widespread reports, which were being taken as authoritative, that the central bank would this morning cut the official discount rate by 0.75 points to 3.75 per cent. This would be the fourth interest rate cut since July last year, when interest rates were at 6 per cent.

After a slight rise in the morning, the Nikkei average on the Tokyo Stock Exchange fell by 323.36 on the day to 19,345.95. "Sentiment is so poor that I don't think the market would be happy with anything now," said Mr Craig Chudler, strategist at UBS Phillips & Drew, the Swiss-owned UK stockbroker.

The market is standing more than than 50 per cent below the highs reached more than two years ago. A 0.75-point cut in rates would be the largest single reduction since the central bank began to ease rates last summer. It would indicate that the central bank has become concerned by a sharper-than-expected deterioration of the economy.

Many economists have argued if potential borrowers do not see a rate cut of more than half a point, they are likely to wait until rates fall again before borrowing money.

A cut of this size would nonetheless signal that the bank's overriding concern for controlling inflation has been replaced by worries about the health of the economy.

The government said the emergency economic measures would boost demand by at least Y4,000bn ($30bn) in the first half of the fiscal year, which begins today, compared with last year.

Private economists said, however, that much of the spending plans had been foreshadowed and the actual impact of the package was difficult to detect. Although details of the package were leaked to the Japanese press over the past week, markets were disappointed that the measures included no new spending. Despite the market's initially negative reaction to the prospect of cheaper money and accelerated government spending, some analysts expect these gradually to support the stock market, as savers seek higher returns than those available from deposits with regulated interest rates.

Details, Page 4
Rescue hopes punctured, Page 18
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Currencies, Page 38
Stocks, Back Page, Section II

Terms for Russia to join IMF agreed

By Jurek Martin, US Editor, in Washington

RUSSIA should be a fully-fledged member of the International Monetary Fund within about a month, following agreement yesterday morning by the fund's executive directors on the terms of its accession.

These grant it a 3 per cent quota in the fund, enabling it to draw approximately $4bn from IMF resources. It would rank as the eighth-largest regular member nation, behind Italy and Canada and ahead of the People's Republic of China.

The 3 per cent figure is a compromise between the 2.5 per cent share originally proposed by the Group of Seven leading industrial countries and the 4 per cent-plus stake sought by Russia.

In a statement, Mr Michel Camdessus, the IMF managing director, welcomed the return of a former part of the Soviet Union to the international financial community after a 45 year hiatus.

He commended Russia for launching "a bold and comprehensive economic reform programme", which, he said, "represents a major step towards a market economy and macroeconomic stabilisation".

Mr Camdessus urged the Russian authorities to press ahead with economic reform as rapidly as possible. Adherence to the new programme would increase the understanding and support of other nations, as well as the IMF.

The IMF's approval should be supplemented today when President George Bush is due to outline what the US is prepared to do to assist the former Soviet republics. The president postponed a speaking engagement to fit in a policy statement.

Mr Bush is expected to endorse a US contribution to a rouble stabilisation fund. Additional humanitarian assistance is also on the agenda. Much will depend on the degree to which the president commits himself to lobbying for his programme on Capitol Hill, where foreign aid in all its forms is not currently popular.

Russia is the first of the former Soviet republics to be approved for membership by the IMF's executive board. It follows close scrutiny by the board on Monday of the economic programme presented by a Russian delegation.

Monetarists under fire, Page 2

Opinion polls show Labour ahead in UK election race

By Philip Stephens and Ivo Dawnay in London

THE Labour party last night claimed a breakthrough in the British general election campaign after three opinion polls gave it a lead of between four and seven points over the Conservatives.

The surveys, the first to show a decisive lead for either party show a slump in support for the Conservatives in the wake of last week's angry row over the health service and criticism of Mr John Major's "negative" campaigning.

The Liberal Democrats, whose support has been moving up steadily in recent days, are shown as the main beneficiaries. Their support is now hovering at just below 20 per cent. But if the poll results were replicated on April 9 Mr Neil Kinnock, the Labour leader, would move into Downing Street with a comfortable overall majority.

The boost for Labour followed another day of angry exchanges over tax and spending, with Mr Major underlining again his commitment to tax cuts and Mr Kinnock insisting that he would not increase the bills of the vast majority of taxpayers. The two leaders dismissed suggestions in an independent report that an impending crisis in public finances would greatly curb the ambitions of both parties.

Mr Major refused to comment on the poll findings, but some senior ministers predicted last night that they would provoke another agonising inquest into the Conservatives' lacklustre campaign. If the results are confirmed in other surveys due today, the party could be forced into a complete shake-up of its election strategy and team.

One suggestion was that the party should greatly intensify its direct attacks on Mr Kinnock in an attempt to destroy his credibility among the voters. Mr Michael Heseltine gave a flavour of that approach in a scathing assault on the Labour leader's fitness for office.

Another possibility was that Mr Major would now be forced to direct more of his fire on the Liberal Democrats in order to persuade its potential supporters that they would help Mr Kinnock into Downing Street.

The largest Labour lead came in a Mori Poll, which gave it 42 per cent against the Conservatives 35 per cent and the Liberal Democrats 19 per cent. A Harris survey put Labour on 41 per cent, the Conservatives on 35 per cent and the Liberal Democrats on 19 per cent. An ICM poll had the parties at 41 per cent, 37 per cent and 18 per cent respectively.

Mr Kinnock attributed the findings to the contrast between his "positive" campaign and the "desperately negative" approach of the Conservatives. He said that the polls were in line with constituency and regional surveys which had shown the party doing well in key marginal constituencies.

Labour signalled its intention of moving the campaign on to its strongest ground – the welfare state – with the launch yesterday of its £600m ($1bn) package to improve education. That will be followed today with a return to the offensive on health, with Mr Kinnock renewing the charge that the creation of hospital trusts will lead to the privatisation of the National Health Service.

The Conservatives, however, will attempt to switch the focus to Mr Kinnock's record on defence. That will follow last night's election broadcast which portrayed the Labour leader as a man who, after 30 years' membership of the Campaign for Nuclear Disarmament, could not be trusted to maintain the country's nuclear defences.

Mr Chris Patten, the Conservative party chairman, last night challenged Mr Kinnock to disclose how many of his party's candidates remained in CND, after releasing documents indicating that all references to the organisation had been excised from Labour's official list of candidates.

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CONTENTS

Germany shoots itself in the foot

Quentin Peel analyses the political demise of Gerhard Stoltenberg, defence minister

THE UNTIMELY demise of Mr Gerhard Stoltenberg, who resigned yesterday as German defence minister, provides a graphic demonstration of the extraordinary capacity of the German government to shoot itself in the foot.

It also reveals the terrible perils of coalition government at a time of regional elections, the intimate relationship between domestic and foreign policy in the federal republic, and the degree to which German foreign policy is driven by a crusading moral fervour, regardless of the international consequences.

If any reminder was needed, it underlines the reputation of the German Defence Ministry as a political graveyard, from *which at least four predecessors* have been forced prematurely.

Ten days ago, all was quiet in the corridors of power in Bonn. *To be sure*, there was tension in the air, thanks to the imminence of two state elections, in Baden-Württemberg in the south, and Schleswig-Holstein in the north. Most of the ministers were out on the stump to whip up support either for Mr Helmut Kohl's Christian Democratic Union, or for the minority Free Democratic Party (FDP) of Mr Hans-Dietrich Genscher, the foreign minister. But there was little cause for alarm, with the opposition Social Democrats (SPD) in greater disarray.

That was before Turkish troops, using German-supplied armoured cars, launched a new operation against Kurdish guerrillas inside the country.

Mr Genscher instantly moved to occupy the moral high ground, condemning the *action as unworthy of a Nato* partner and member of the CSCE. He was backed by Chancellor Kohl, fearful of losing electoral advantage. Turkey responded by accusing *Ger*many of harbouring Kurdish terrorists; Bonn retaliated by suspending its arms supplies; President Turgut Ozal accused Bonn of tactics reminiscent of Hitler's Germany; Chancellor Kohl responded with a furious denial – and the whole affair was out of hand.

What happened in the meantime was that it leaked out that last year 15 Leopard tanks had been delivered to Turkey as part of a long-running contract – after the Bundestag had ordered an embargo because of earlier the Turkish actions against the Kurds.

That is the offence for which Mr Stoltenberg has now paid with his head. So instead of having a useful bit of moral propaganda *to woo voters in the local polls*, the government is left with a damaging deterioration in relations with a Nato ally, and the most senior member of the cabinet has been *forced to resign* in shoddy circumstances. Not only that, but the US, to mention but one other Nato ally, is furious with Bonn for stirring up relations with Turkey just when that country is seen as a crucial stabilising factor in the tempestuous situation in the southern republics of the former Soviet Union.

As for Chancellor Kohl, his CDU is left reeling because of the enforced resignation of the one man who was expected to deliver votes in the poll in Schleswig-Holstein – for Mr Stoltenberg is the honorary chairman and father figure of the CDU in that state. What slim hopes the party had to make inroads on the SPD majority there must have evaporated. It is a pretty good tally for a small piece of moralistic *diplomacy, and a row over 15* Leopard tanks.

Mr Stoltenberg's departure removes from the German government its most senior member, *whose career in 1965 as* research minister under Mr Ludwig Erhard, and who then was successively finance minister and defence minister in the present coalition. In between, he was prime minister in Schleswig-Holstein.

The irony is that he was expected to quit next September, in a mid-term reshuffle, but certainly not before the Schleswig-Holstein poll. He was the senior Protestant in the government, representing an important constituency in a predominantly Roman Catholic party. He is also a staunch supporter of the Atlantic alliance, and enjoys respect second only to Chancellor Kohl in the US.

Yet he was a lacklustre figure with a poor press. "He does not make public relations politics," says Mr Jochen Thies, editor of Europa Archiv, the foreign policy magazine. "He is a cool north German. In this affair he is almost helpless. He has not made bad policies, but *he never sold himself well*."

Rühe emerges from the old guard

By Quentin Peel in Bonn

MR Volker Rühe, the new German defence minister, has long been seen as a rising star of the new generation in Chancellor Helmut Kohl's Christian Democratic Union (CDU).

He is a staunch Atlanticist and has a wide range of political friends and contacts in London and Washington.

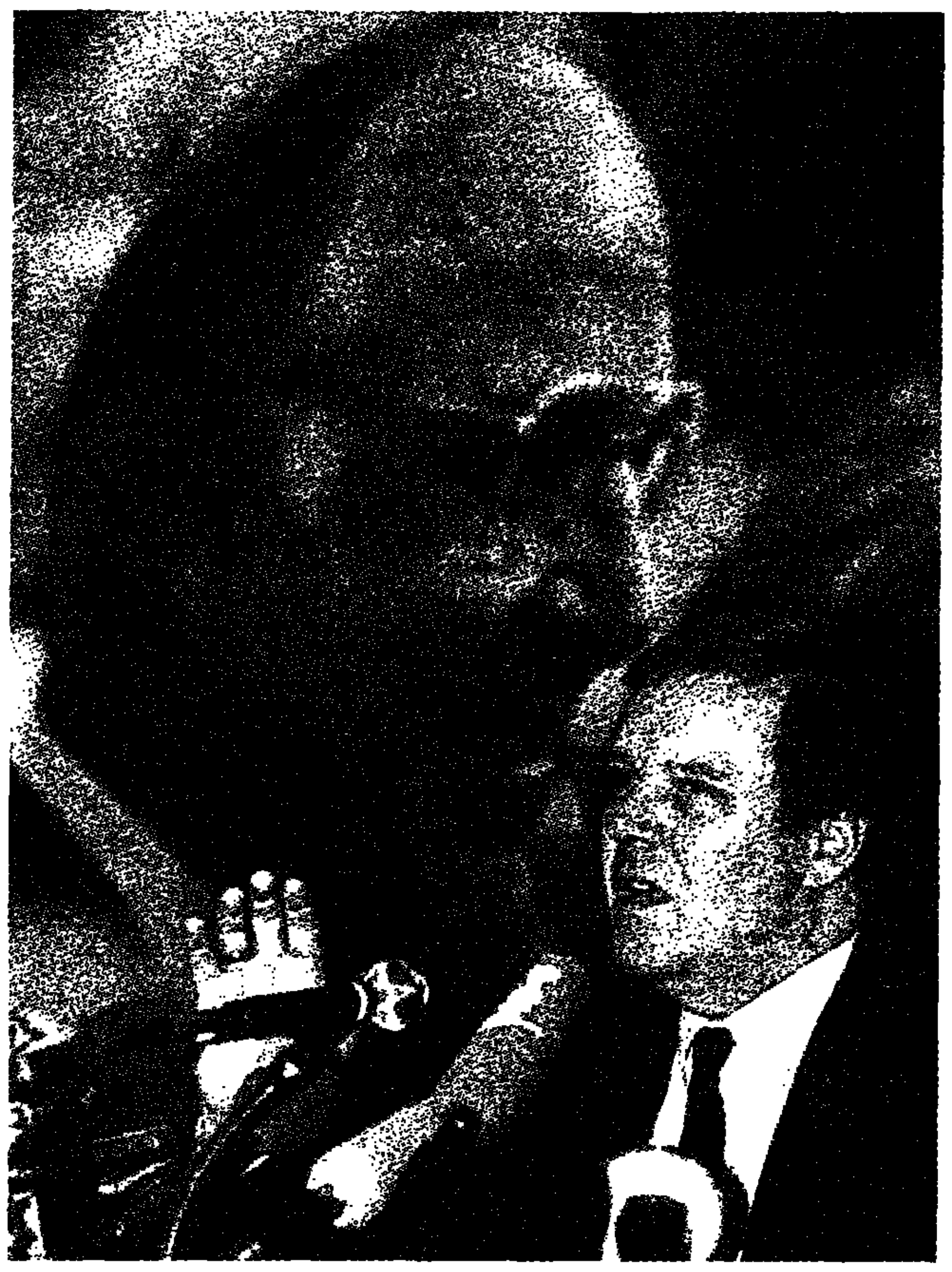
Mr Rühe, 49 and a fluent English speaker, is the man most credited, alongside Mr Wolfgang Schäuble, the parliamentary leader of the party, *with giving a sharp edge to* political campaigning in the country.

That has helped revive CDU fortunes since last year, when the rising costs of unification caused a slump in the polls.

Mr Rühe has used the issue of asylum-seekers, a real public concern, *to outmanoeuvre* political rivals.

As former chairman of the foreign affairs committee in the Bundestag, lower house of the German parliament, he has made no secret of his ambition to succeed Mr Hans-Dietrich Genscher as foreign *minister*.

In accepting the post of defence minister, he has been forced to settle for less, although since he is a keen supporter of Nato, the appointment will reassure the US that Germany is not drifting away from the alliance.



Rühe: the new defence minister who has long been a rising star in Chancellor Kohl's CDU

Helicopter contract delayed

By John Murray Brown in Istanbul

A $2bn helicopter contract, for which the Franco-German Eurocopter consortium was a leading bidder, has been put off for a month following Turkey's row with Germany over military aid.

The Turkish defence procurement agency decided over the weekend to put off the deal already tendered seven times. The contract was originally to *co-produce 200 multi-purpose* helicopters.

However it was re-tendered in March to allow Turkey to consider the cost of immediate delivery, amid signs of worsening security in Turkey's Kurdish region.

The latest delay follows last week's row with Bonn over Turkey's treatment of Kurds. Bonn suspended all aid shipments after allegations that Turkey used German supplied armoured personnel carriers against Kurdish demonstrators.

Turkey's fleet comprises 160 helicopters, including six Sikorsky-made Black Hawks – the favourite to win the new contract. The government has long said it needs a new generation *of rapid deployment helicopter* to counter Kurdish insurgents in the mountainous terrain along Turkey's border with Iraq.

The urgency was underlined this weekend when Belarus was invited to display its MI-24 HIND-D combat helicopter.

French cable TV industry cuts rates in relaunch

By Alice Rawsthorn in Paris

FRANCE'S floundering cable television industry is making a desperate attempt to attract more viewers by slashing its subscription rates.

The French cable operators, who are struggling to build an audience, have reached agreement with France Telecom, the state-owned telecommunications group that provides the technology for cable, to cut subscription rates by about 15 per cent. The price cutting ploy will form part of a relaunch programme for the whole system.

France Telecom has agreed to waive part of the fees it receives from the operators as a cable provider, to meet the cost of the rate reduction.

Meanwhile the French government, which was responsible for the launch of France's ambitious *plan cable* 10 years ago, plans to table legislation to speed up the cabling of apartment blocks in the next session of parliament, which starts this Thursday. When the *plan cable* was introduced, the government envisaged developing a system with at least 1.25m subscribers by the end of this year.

Instead, the cable industry has been bogged down by financial problems and arguments over technology.

It has also suffered from fierce competition by Canal Plus, the successful pay-TV channel. As a result it is currently subscribed to by fewer than 700,00 French homes.

France says its growth will better rest of EC

By Alice Rawsthorn in Paris

FRANCE is poised for higher growth than most of its European partners this year and next year and should be in a good position to benefit from any upturn in the world economy, according to Mr Pierre Bérégovoy, the French finance minister.

Mr Bérégovoy, who has been mooted as candidate to succeed Mrs Edith Cresson as prime minister, said yesterday at a meeting of the Commission des Comptes de la Nation that continuing his policy of imposing tight control on inflation and public spending would be critical to France's growth.

The official forecast for French growth this year is 2 per cent, followed by 2.6 per cent in 1993. This, said Mr Bérégovoy, would be 0.3 per cent higher than the average growth forecast for the European economies in each of those years.

However, private sector economists are predicting slightly lower growth rates for France this year.

Last week economists at Paribas, one of the larger Paris investment banks, forecast that growth for 1992 would be 1.8 per cent.

Mr Bérégovoy said he expected French inflation to remain relatively low over the next two years.

He forecast inflation of 2.8 per cent for both 1992 and 1993, beneath the present annual rate of 3 per cent.

Investment from abroad shows rise

FRANCE last year moved up to third from fourth place on the list of countries to attract foreign direct investment, the finance ministry said, Reuter reports from Paris.

It listed six operations of at least FFr1bn (£100m) each that helped lift the total of inbound foreign investment to FFr61.1bn from FFr49.3bn in 1990. France nudged Spain out of third place. Britain and the US easily topped the list.

The ministry, in an analysis of data first released with balance-of-payments figures on March 19, said foreign investors were responding positively to France's geographical position, stability of the franc and the quality of the workforce.

Cabot of US signs Czechoslovak deal

By Ariane Genillard in Prague

CABOT Corporation of the US, the world largest producer of carbon black, has set up a joint venture with Czechoslovakia's only coal tar processor to *produce carbon black*, a raw material used in the manufacturing of tyres and rubber products.

The joint venture, worth about $90m and 52 per cent owned by Cabot, yesterday received a $20m loan from the International Finance Corporation (IFC), the private sector arm of the World Bank.

This is IFC's first loan in Czechoslovakia. In January, the company approved a 12 per cent equity investment worth $6.5m in Zivnostenska Banca, the country's oldest bank which will be partially owned by Berliner Handels- und Frankfurter Bank (BHF) of Germany. IFC is considering other investments in the cement and automotive industry. The new joint-venture, called CSCabot, will modernise a plant of Deza, a large chemical company in Moravia and build two new carbon black production units with a capacity of 25,000 tons per annum. The *project* should be completed by early 1994 and will have a total production capacity of 80,000 tonnes per annum.

The company will produce carbon black, a raw material used in the making of tyres and plastic products and will be in a lead position to supply the country's modernized automotive and trucks industry.

Baroum, Czechoslovakia's monopoly producer of tyres is currently negotiating with Continental of Germany. Skoda, the Czech car company, last year teamed up with Volkswagen of Germany and the country's three truck companies set joint ventures with Mercedes of Germany and Iveco of Italy earlier this year.

Airline traffic recovers

AIR traffic has recovered strongly from depressed Gulf War levels, International Air Transport Association (IATA) data released yesterday showed, Reuter reports from Geneva.

IATA said passenger traffic on international scheduled services jumped 46 per cent last month from February 1991, at the height of the Gulf War.

IATA, always careful to report the financial difficulties of its 205 member airlines, cautioned that passenger traffic in January-February was only 10 per cent higher than in the same period in 1990.

IATA says it will soon be painting an even more gloomy 1991 profit picture than before. It now believes that its members lost more on international scheduled services last year than the $3.7 billion estimated originally.

Yeltsin concludes federal treaty

By Leyla Boulton in Moscow

PRESIDENT Boris Yeltsin's Russian Federation yesterday concluded a federal treaty designed to cement it together for the post-Soviet era.

Eighteen of the 20 "republics" within the 150m strong Federation, together with the leaders of Russian administrative regions and the mayors of *Moscow and St Petersburg*, signed the treaty in a formal ceremony at the Kremlin.

Created by Stalin as part of a divide and rule policy, the autonomous republics were set up to house Russia's ethnic minorities, even though the biggest group, the Tatars, were scattered over four republics. The ceremony was marred by a boycott by Tatarstan, the biggest of the autonomous republics, and Chechnya, where a *state of emergency* was called yesterday after internecine fighting broke out. But the treaty may allay fears that the country itself will break up like the Soviet Union did before it.

President Yeltsin warned that the challenge now would be to implement "every article" of the treaty, despite the fact that he has had to conclude a series of deals, chiefly over property and taxation, to *get individual participants on* board.

The treaty was designed to be a section of a future Russian constitution. Its main provisions are as follows:

- The federal government is responsible for foreign policy, defence, defending civil rights and protecting ethnic minorities; defining federal policy for the social, political and economic development of the Russian Federation; establishing the foundations for a common market, financial and monetary policy, customs regulations, a federal budget and taxation policy; running federal energy, transport, and communications systems.
- Responsibilities shared between the federal government, the republics and the regions include: ensuring that legislation is in accordance with the constitution; law enforcement; management, use *and ownership of land, miner*als and other natural resources; common matters of health, education and culture.
- Republics are responsible for every other area except those they have delegated to the Russian Federation.
- Disputes are to be resolved through the use of conciliatory procedures, to be specified in a future constitution.
- Russian is the official language in the Federation although republics can also have their own official language. Stopping short of outright secession, Tatarstan is negotiating a separate treaty with the Russian Federation.

With some republics still under the firm grip of their old Communist rulers, they have *also provided a focus of opposi*tion to President Yeltsin's radical reforms.

But apart from local political ambitions, much of the differences with Moscow arise from the desire of local areas to hang on to whatever wealth they have for themselves at a *time of great economic hard*ship.

This is why even areas which do not have a separate national identity, such as oil-rich Tyumen in Siberia, or Sakhalin Island in the Far East, among the signatories to the treaty, have also joined in the fight for more freedom from Moscow.

Ukraine to be pressed on nuclear weapons

By David White, Defence Correspondent

NATO ministers will today press Ukraine and other former Soviet republics not to use *their stocks* of nuclear weapons for political leverage.

Concern about Ukraine's stance is expected to figure prominently at Nato defence ministers' talks in Brussels.

Mr Pavel Grachov, Russia's deputy defence minister, said yesterday he had told the US that the transfer of tactical nuclear weapons to Russia from other republics would be completed by July 1, despite apparent Ukrainian opposition.

Mr Grachov, who met Mr Dick Cheney, US defence secretary, on the eve of the talks, said hundreds of warheads now in Ukraine, Belarus and Kazakhstan as well as those in Russia would be stored carefully until destroyed.

The one-day meeting is the first of its kind bringing together defence ministers from Nato and what used to be the Warsaw Pact, including 13 former Soviet republics.

Mr Cheney said he would press for the fulfilment of pledges to place the entire nuclear arsenal in Russia.

Tactical nuclear arms are due to be transferred to Russia by July 1 under an agreement reached last December. Ukraine is also pledged to the removal of strategic weapons by the end of 1994. Other strategic weapons are based in Russia, Kazakhstan and Belarus.

The talks are also expected to focus on the share-out of the military equipment entitlements which were allocated to the Soviet Union under the 1990 Conventional Armed Forces in Europe (CFE) treaty.

Radical monetarists under fire

By John Lloyd in Moscow

SENIOR figures in Russian politics and industry yesterday mounted a series of attacks on the government in the run-up to the Congress of People's Deputies next Monday, aimed at forcing a change of the course of economic reform. They are demanding a relaxation of credit to prevent the collapse of industry.

The attacks came as Mr Sergei Shakhrai, a deputy prime minister and a close aide to President Boris Yeltsin, announced his resignation.

He claimed that deputies were trying to squeeze out Yeltsin supporters from the congress by stripping him and other ministers of their parliamentary seats. They had used a Russian law prohibiting deputies from holding government positions as a cover to "exclude us all from active work at the coming Congress ... and thus decrease the numbers of the supporters of Yeltsin and his reforms".

Yesterday's attacks on government policy were from "critical supporters" – but showed that the constituency for the kind of radical monetary policies which the government maintains has shrunk to virtually zero. It seems likely that other figures may have to follow Mr Shakhrai into retirement in order to placate the deputies. However, an announcement on Russia's admission to the International Monetary Fund, which may come next week, would give the government a much needed boost.

The heaviest salvo was fired by Mr Arkady Volsky, president of the Russian Union of Industrialists, who has so far maintained a critically supportive position towards economic reform. In an article in the daily Rabochaya Tribuna, Mr Volsky said industry was in a parlous state, with huge unsold stocks and vast debts. Western specialists working in the agricultural sector fear that a lack of reform will mean a continuing deterioration, and greater dependence on western aid. A rise in oil prices – scheduled for May or June – would cause "serious upheaval", Mr Volsky said.

Admitting the need for a rise in prices to stem the uncontrolled outflow of oil through the Baltic states at low prices, he called for a three-stage, three-year transition to world prices.

The cause of the industrialists was further supported by Professor Yevgeny Yasin, recently appointed as a plenipotentiary to explain the government's economic policies to parliament. Professor Yasin, who said *his slogan* was "criticise, but support", said that enterprise debts to banks and to each other stood at Rbs600bn, against about Rbs40bn a year ago. Working capital had fallen in real terms by 10-12 times.

"The price rises were higher, the squeeze on the money supply was stronger and the extent of the payments crisis greater than the government expected. There must be more flexibility on credit policy: the government must learn that it cannot both liberalise and stabilise the currency, and that liberalisation is now the most important thing."

Leaders of the two separate chambers of the Russian parliament warned of "disintegration" if economic reform continued on its present course.

Upset in Europe's construction equipment market

By Andrew Baxter

GERMAN reunification and recession elsewhere in Europe have transformed the $12bn-$15bn western European construction equipment market over the past two years, with far-reaching implications for manufacturers and component suppliers.

Germany has more than doubled its share of the market from 18 per cent in 1989, before reunification, to 37 per cent last year, largely at the expense of the UK, whose share has plummeted from 21 per cent to 9 per cent.

The figures come from a *review by the Corporate Intelli*gence Group, the London-based analyst.

In spite of a 47 per cent surge in German unit sales, overall demand in west Europe *fell 3* per cent last year to 97,358 units, confounding the group's forecast that 1991 would be a "watershed" with demand beginning to pick up by the middle of the year.

A further 5 per cent decline is expected this year, and it unlikely that demand will recover until 1993-94, says the review. Even then, sales are expected to be 6-7 per cent lower than in the late 1980s.

The forecast provides a gloomy backdrop for next week's Bauma construction equipment exhibition in Munich, the world's largest this year.

Demand in Germany, described by the review as "a shining beacon of prosperity," is being spurred by construction activity linked to reunification. Building activity in the west expanded slightly last year, in spite of a second-half slowdown, while in the east the growth rate may have reached 20 per cent.

A further 20 *per cent growth* in building activity is foreseen for the east this year, but in the west the housing boom is finished, says the review. Overall, the German construction equipment is forecast to fall to 33,510 units this year from 35,666 last year, and to 30,420 by 1996.

Even then, however, the German market will still be more than twice the size of its three nearest rivals, France Italy and the UK.

The implications of this geographical shift in demand are fundamental, says the review. German end-users traditionally *prefer domestically-produced* equipment, and will pay a premium for the perceived additional quality.

German manufacturers have therefore been sustained by domestic demand, and cushioned to a large extent from the severe decline in export markets.

"Unless a company has a manufacturing base, or at least an exceptionally sound distribution network, in Germany, then manufacturers will have little opportunity to participate in the only European market which currently offers good volumes at acceptable margins. The result should be a much stronger manufacturing base in Germany over the long term," it says.

Elsewhere, the sharpest decline last year was in the "perfectly ghastly" UK market, where unit sales fell 38 per cent to 9,212, the lowest for at least a decade.

The study blames "a combination of a government fumbling its way to economic stability, high interest rates, and too many good machines looking for too little work."

Attacks mar Yugoslav peace talks

BOTH Serbian and Croatian media yesterday reported sporadic incidents in Bosnia-Hercegovina while the 4.4m Moslem, Serb and Croat inhab*itants of the central* Yugoslav republic appeared to wait for the outcome of European Community-brokered talks in Brussels among the republic's national leaders, writes Laura Silber in Belgrade.

The peace plan revolves around an independent Bosnian state divided into three ethnic units,

Tanjug, the Belgrade-based news agency, said six people *were wounded in Bijelina*, northeastern Bosnia, when a Serb threw a grenade into a cafe owned by a Moslem. Tanjug also said a federal army base in Bihac, western Bosnia, came under overnight fire.

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Craxi drops hint on PM's post

By Robert Graham in Rome

MR Bettino Craxi, Italy's Socialist leader, yesterday hinted that he would not seek to head a fresh coalition government if his party fared poorly in next Sunday's general elections.

Until now both the Socialists and their Christian Democrat allies have based their election campaign on a call for a strong vote to ensure their long standing partnership could provide a stable basis for the country's next government.

There has been an understanding that the premiership should change parties and be offered to Mr Craxi, who headed two coalition governments from 1983 to 1987.

However, the Socialist vote risks being eroded by electoral discontent with the outgoing administration and recent allegations of corruption involving prominent party figures.

Craxi: Campaigning to prevent his Socialist Party's support being eroded by voter discontent

In an interview published yesterday by the daily Corriere della Sera, Mr Craxi claimed to be confident about the outcome but added: "Even a limited negative signal (from the electorate) would mean a defeat and we could not but draw conclusions – and naturally the first would be me." In the 1987 elections, the Socialists obtained 14.3 per cent of the vote. Before this campaign, the party believed it could increase this percentage; but a lacklustre campaign and the arrest of Mr Mario Chiesa, a prominent member of the Milan party apparatus, on corruption charges have led commentators to predict that the Socialists will have difficulty retaining their share of the vote.

Mr Craxi's threat not to offer himself as a candidate for the premiership appears designed to rally the Socialist vote behind him.

It underlines the concern of the Socialists and Christian Democrats that they will fail to secure a parliamentary majority, with their two small allies, the Liberals (PLI) and the Social Democrats (PSDI).

Pensions 'too big' say unions

ITALY'S three largest union groups yesterday urged the government to stop promising their members generous pensions, Reuter reports from Rome.

Paying out so much to an increasingly ageing population was like "sitting on a barrel of dynamite", they warned. Some 300,000 state workers are lining up to take advantage of a law passed last year enabling them to give up their ordinary state pensions and transfer to a lucrative system run by the Treasury for civil servants.

The law threatens to cost the social security service more than L6,000 (£2.79bn) a year.

"This is an absurd law which needs immediate correction," said the CGIL, the UIL and the CISL umbrella union groups. "It flies in the face of all attempts to reform the pension system."

In theory, the law offers "golden pensions" of 100 per cent of retirement salary to all employees in the public sector.

Italian pensions, among the most generous in the world, have long been identified as one of the causes of the country's massive budget deficit but politicians have avoided cutting them for fear of losing votes.

Fellini provides a stage for party without stars

By Robert Graham in Rome

BY LAUNCHING its campaign for the Italian elections with a three-day convention in the film studios of Rome's Cinecitta with Federico Fellini as patron, the small Republican Party took the risk of looking too big for its boots.

Against the back-drop of a flashy set, the Republicans, who have always prided themselves as a minority centre-left party backed by the cream of business and the intellectual elite, analysed Italy's ills and called loudly for institutional reform and tough economic management.

Yet with only four days before Italians vote in general elections on Sunday, the pretensions of the Republicans and their leader, Mr Giorgio La Malfa, appear to have paid off. Alone among the traditional parties, the Republicans have come through the campaign confident of substantially increasing their vote.

Commentators suggest the party could get up to 7 per cent of the vote, perhaps more, doubling their poor performance in the 1987 general elections. This may still appear a small percentage but in a fragmented political arena it would be more than sufficient to convert Mr La Malfa and the Republicans into key players determining the nature of the next coalition government.

At 52, and an economist educated at Cambridge and Massachusetts Institute of Technology, he has finally emerged from the political shadow of his late father, Ugo, who dominated the party for 30 years, casting it in the role of "the honest conscience of government".

He has exploited the party's "clean" image and enjoyed a sympathetic press from the most influential newspapers.

His calls for institutional change and the need for competent economic management have struck a chord in the north among disillusioned Christian Democrats, former Communists, and especially Socialists in the latter's stronghold of Milan as a result of corruption scandals.

His party has been the only one to gather together a panel of distinguished economists to prescribe how Italy should face the daunting task of implementing the EC's summit agreement at Maastricht.

The greatest compliment paid to Mr La Malfa's increased political weight has been the way leading Christian Democrat and Socialist politicians have chosen to attack him. They know he has been poaching supporters and acquiring a higher profile. The Christian Democrats and Socialists also feel a sense of betrayal at the way this natural partner in government has gone against them: the Republicans have been present in 23 of the 50 governments Italy has had since 1945.

Mr Giulio Andreotti, the outgoing prime minister, has not forgiven Mr La Malfa for removing Republican support when he was trying to form a new government last April. Although Mr La Malfa walked out in high dudgeon in a seemingly petty row over portfolio allocations, the decision has subsequently been presented as a careful tactical move to distance himself from a discredited government.

This distancing act enabled the Republicans to avoid being tainted by the failures of the past legislature and present themselves either as an opposition, or as a repository of votes for those who wish the party to influence a future coalition. Mr La Malfa said he would only back the next government if it were composed of technicians committed to carry out a clear programme of reforms.

Sweden to open up electricity market

By Sara Webb in Stockholm

SWEDEN will allow increased competition in its electricity market in line with developments in the European Community, the government said yesterday.

Customers will be free to shop around for suppliers offering the lowest electricity prices in future, and power and other companies will be able to import and export electricity to neighbouring countries.

Those companies which have a concession to operate power lines in certain areas will be forced to open their lines to other suppliers and users. In addition, the government said it was preparing legislation concerning competition in the electricity market, and promised that its competitiveness would be "continually monitored".

The proposals were welcomed by the Confederation of Swedish Industry yesterday. Mr Lars Gunnar Larsson, head of the CSI's energy and environment division, said industry members had been eager to see more competition on electricity prices.

The government has started to reform the electricity industry already. Vattenfall, the state-owned electricity company which supplies about half the country's electricity, is being prepared for wider ownership as part of the government's ambitious privatisation programme, although no date has been set yet.

The remaining electricity suppliers are mainly owned by the local authorities or by private companies. One company – the big forestry group SCA – recently agreed to sell its power operations in view of the forthcoming changes in the electricity market.

In the past, many of the electricity-intensive industries had their own power suppliers so that they could be independent of the regional power monopolies.

The government said "substantial gains stand to be made by making the electricity sector more efficient, and by facilitating increased trade in electricity across borders".

Theodorakis quits Greek government

Mr Mikis Theodorakis, the Greek composer, has resigned from the government, leaving the ruling conservatives with only a one-seat majority in the 300-member House, writes **Kerin Hope in Athens.**

Mr Theodorakis, who will now sit as an independent, is the fifth cabinet minister to step down in the past seven months. He was a Communist Party MP before joining the conservatives. His duties as minister without portfolio were never spelled out, but he sometimes accompanied the prime minister, Mr Constantine Mitsotakis, abroad and helped promote culture at home.

Mr Theodorakis said in his resignation letter that he wanted to devote more time to music. But as an enthusiastic supporter of better relations with Turkey, he was known to be disappointed when the government dropped a plan to sign a Greek-Turkish friendship treaty this year.

Danish tax quashed by EC court

THE European Court ruled yesterday that a Danish labour market tax on employers was illegal, confirming an earlier recommendation by the advocate general, writes Hilary Barnes in Copenhagen.

The tax was introduced in 1987 to replace an employer social security tax levied on the total wage bill.

The government scrapped the employers' social security contribution and introduced a tax levied on the company's total import bill and on value added in production for the domestic market.

Exports were excluded from then tax.

Import companies brought the case against the government, claiming that the tax was discriminatory and in conflict with the Treaty of Rome.

Many companies are planning to withhold payment for the fourth quarter of last year, due on April 7, following the ruling.

Shipping group faces cartel fine

By Andrew Hill in Brussels

COMPAGNIE Financière Delmas-Vieljeux (CFDV), France's leading shipping group, is likely to be fined by the European Commission today for its involvement in a cartel which allegedly eliminated competition between freight lines operating between France and West Africa.

The Commission is also expected to impose conditions on the operation of freight services between France and French-speaking West African countries. Officials refused to comment on the level of the fine, or the extent of the restrictions ahead of today's full Commission meeting, but the punishment is likely to be severe.

The Danish government and the Danish shipowners' association complained to the Commission that CFDV – part of Bolloré, the French transport and industrial conglomerate – was at the centre of a shipowners' cartel called Secretama, which managed shipping trade with African countries. Other French and European companies involved will also be fined.

Bolloré was forced to buy out the minority shareholders in CFDV for FFr1.1bn (£110m) last year, following a landmark stock exchange ruling. The group has claimed that CFDV never revealed the extent or seriousness of the Commission's investigation.

Bofors scandal claims Indian foreign minister

By K K Sharma in New Delhi

MR Madhavsinh Solanki resigned yesterday as India's foreign minister following his admission that he delivered a mystery letter to his Swiss counterpart last month on the Bofors case.

Mr Solanki's action has greatly embarrassed Mr P V Narasimha Rao's Congress government, which is being accused of going slow on the investigations into the scandal over payoffs by Bofors, the Swedish armaments company.

The Bofors case, which rocked the government when the late Mr Rajiv Gandhi was prime minister, was one of the principal reasons for the defeat of the Congress party in the 1990 elections.

With Mr Solanki's resignation – the first since the latest Congress government was formed eight months ago – the Bofors affair has been successfully resurrected by the opposition, which is determined to embarrass the government further. A parliamentary debate is to be held today.

Solanki: delivered letter

Mr Gandhi and others were alleged to be recipients of payoffs from Bofors, which was awarded a $1.4bn contract in the early 1980s for supplying howitzers to the Indian army. The charges have surfaced repeatedly since then. Mr Gandhi was assassinated in April last year and the truth about the payoffs has never been told.

Following a parliamentary storm over a newspaper report on Monday, Mr Solanki admitted that he handed over a note to Mr René Felber, the Swiss foreign minister, from a private lawyer on the status of pending Bofors cases.

"I now regret that I handed over the note, which has caused embarrassment to me and avoidable misunderstanding," he said.

Mr Solanki claims he did not know the contents of the note. The Indian Express, which carried the report, said that the note contained a sentence asking Switzerland not to take any action on the Bofors cases in the country until a petition pending in Indian courts was disposed of.

The Indian Express also reported that the note said the Indian government believed there was no urgency in the case and that the matter could held in suspension.

A parliamentary investigation in the mid-1980s absolved Mr Gandhi of charges of corruption but the investigation was reopened by Mr V P Singh when he was prime minister. Mr Singh ordered a fresh inquiry by the Central Bureau of Investigation more than three years ago but this has not been completed yet.

Mr Rao's government has denied accusations of slowing down the investigations.

Prime minister Kiichi Miyazawa, right, foreign minister Michio Watanabe, left, and party vice president Shin Kanemaru put their heads together after a cabinet meeting yesterday on the emergency package

Measures aim to restore confidence

By Steven Butler in Tokyo

THE package of emergency measures announced yesterday by the Japanese government cover a range of fiscal and regulatory areas aimed at boosting the economy. The aim is not only to accelerate public works spending, but also to stimulate spending by introducing special loan programmes and easing regulations.

The Economic Planning Agency, which issued the programme, appeared equivocal, however, about the actual state of the economy. It said employment and spending were firm, and corporate profits remained high by historical standards. None the less the economy was slowing and the agency wanted to arrest any further deterioration in business and consumer confidence. The package was thus aimed at boosting confidence over and above stimulating the economy.

The measures are:

- Central government will "front load" its public works programme by spending 75 per cent of the annual budget in the first half of the year. Normally 68 per cent of the budget is spent in the first half.

Mr Masaru Yoshitomi, director general of the EPA co-ordination bureau, said central government spending would rise by 15.7 per cent compared to fiscal 1991 during the first half of the year, an increase of Y1,500bn. Front loading was responsible for two-thirds of this increase.

Local government, whose public works spending is about twice that of central government, was expected to follow a similar programme, although the amount could not yet be quantified.

- Electricity, gas and telecommunications would increase budgets and bring forward spending schedules. In the electricity industry, capital spending would be increased by Y300bn to Y4.3bn, with Y1,000bn previously budgeted for the second half moved to the first. The telephone companies would increase spending over budget by Y90bn to Y1,290bn.
- A variety of lending programmes would be introduced to support companies investing in labour-saving devices. Money would be lent at 5.9 per cent, compared to current rates of 6.0 per cent to large companies, while loan rates to small and medium companies would be cut from 5.1 per cent to 4.6 per cent.
- Private spending would be supported by promoting shorter working hours, including a five-day work week for civil service employees. Long distance telephone rates are to be cut. Housing loan ceilings from the government Housing Loan Corporation are to be raised and, in an effort to stimulate demand for vehicles, the building of car parks is to be promoted.
- In addition to lower loan rates for labour saving investment, a variety of credit and insurance schemes are to be improved for small businesses.
- Measures are to be taken to improve the operation of the stock and bond markets.
- The government is to pursue flexible implementation of monetary policy. This is a thinly veiled hint that the Bank of Japan should cut interest rates.

Mr Yoshitomi was in no doubt about the importance of the programme. "By these measures we still expect we can achieve 3.5 per cent (economic growth)," he said.

Mr Yoshitomi said that, compared to previous government emergency packages, the government was catching the downturn in the economy before it became serious. He therefore believed the measures would take rapid effect.

He said that while it would be impossible to quantify precisely the impact of the measures, the process of corporate inventory adjustment was expected to peak by September, and that economic recovery would begin afterwards.

A possible supplementary budget to make up for a dip in spending expected in the second half of the fiscal year would be considered only after the emergency measures had been given time to work.

Markets cool on Japanese crisis package

By Emiko Terazono in Tokyo

JAPAN'S emergency economic package was greeted with scepticism yesterday by the Tokyo financial community, which saw the government's announcement as little more than a rehash of long-discussed reforms.

One proposal, to develop the domestic corporate bond market by eliminating issuance limits and restructuring the underwriting procedures, alone prompted hopes of changes towards a larger and more liquid market for corporate paper.

But a widely expected cut in the official discount rate today failed to stimulate the stock or bond markets, and the knowledge that a bad financial year was over and a new year begins today provided no comfort.

Mr Craig Chudler, strategist at UBS Phillips & Drew, the Swiss-owned London stockbroker, said the package did not contain any concrete proposals, indicating a lack of commitment on behalf of the government.

The stock market is still haunted by fears that the Nikkei stock average could fall by a further fifth to as low as 15,000 before a recovery, and dealers generally believe that yesterday's actions did little to ease those fears.

Apart from proposed rule changes which would eventually allow companies to hold their own shares, listed groups are being encouraged to pay higher dividends. For more than a year, the government and institutional investors have urged Japanese companies to increase dividends, but there has been little response, and individual investors remain wary of the scandal-tainted stock market.

Trading volumes are weak, companies' unrealised profits on stock holdings continue to be eroded, and new equity issues have dried up. In contrast, Y9,000bn ($70bn) was raised in 1989 on the Tokyo stock market through new issues and equity-linked instruments.

Another poorly received proposal was the establishment of equity investment funds for institutional investors. Mr Kaoru Shimura, head of equity investment at Sumitomo Life, a leading life assurer, said the most needed change to revive investor confidence was a cut in taxes on investments.

The ministry of finance said the proposals held out the prospect of accelerated reforms in the corporate bond market. Japanese companies are in dire need for alternative fund raising measures, as aside from the weak stock market, bank lending has become tighter due to capital constraints of the banks.

Mr Robert Feldman, economist at Salomon Brothers, said the proposals had significant importance in the longer term affecting the supply of money available to companies.

Japanese companies need funds not least because they will be required to make large repayments on equity-linked bonds issued in the late 1980s. According to Daiwa Securities, Japanese banks will need to repay Y6,950bn on maturing equity-linked bonds in the fiscal year ending March 1993.

The Japanese bond market has traditionally functioned to fund the government, and the corporate bond market has been heavily regulated. However, the companies' craving for funds has pushed corporate bond issues for the fiscal year ended March to Y2,316.7bn, three times that of two years ago.

The progressive dismantling of the barrier between the banking and securities industries, already under way and due to be implemented next year, is expected to increase competition in underwriting the bonds. Banks may as a result enter a market currently dominated by the Big Four brokers – Nomura, Daiwa, Nikko and Yamaichi Securities. The ministry also hopes to abolish the commission-bank system, where every issue has a bank which acts as an agent representing investors.

Strict limits on company bond issues are expected to be eased. Currently, a company may only issue bonds equal to its equity capital plus retained earnings.

The ministry of finance wants to introduce new products, such as bonds with shorter maturities and floating rate notes.

Import-export curbs lifted

By K. K. Sharma

INDIA'S export-import policy for the next five years, unveiled yesterday by Mr P. Chidambaram, the minister of commerce, specifies that trade will be free except for a few restricted items.

The government's annual budget presented in February initiated many trade policy reforms, including partial convertibility of the rupee and reduction in tariffs. The export-import policy announced yesterday substantially eliminates licensing, quantitative restrictions and other regulatory and discretionary controls.

Consumer goods imports will continue to be restricted, but import of capital goods and raw materials has been liberalised. The government monopoly over substantial imports has been reduced to eight items including crude oil, fertilisers, cooking oil and cereals.

Mr Chidambaram said yesterday he expected India's foreign trade to grow. His aim is that it should account for 20 per cent of gross domestic product compared to the present 14 per cent.

Kashmir killings prompt Moslem revulsion

By David Housego in Srinagar

MOSLEM mourners crowded round a Hindu cremation ground in central Srinagar yesterday to express their revulsion at the murder of a Hindu family yesterday by Kashmiri Moslem terrorists.

Mr Sohan Lal, a 45-year-old driver, his wife Bimla and their 20-year-old daughter Archina were killed by two militants who visited their house asking for food and shelter for the night. Senior police officials confirmed yesterday that both women had been raped.

The incident is the first in more than nine months in which Moslem militants have apparently deliberately chosen a Hindu family as their target and it could provoke a further Hindu exodus from the Kashmir valley. It is also bound to revive charges that Moslem extremists are deliberately trying to drive Hindus from the valley.

Moslem mourners at the cremation service yesterday expressed disgust at the killings and an increasingly commonly heard weariness with the two-and-a-half year insurgency. "People are fed up with militants," said a Moslem neighbour who knew the family well.

Moslem neighbours felt particularly upset by the triple murder, having long pressed the family to remain in the valley when other Hindu families were leaving.

The killing comes at a time when the government is seeking to revive political activity in the state by releasing detained opposition political leaders. The five leaders, most of whom have been detained for two years for supporting Kashmiri separatism, are expected to return to Srinagar today.

The Hizbol Muhajideen, the main pro-Pakistan Islamic militants group, strongly condemned yesterday's killings. Mr Maqbool Elani, the group's commander in the Srinagar region, said in an interview yesterday: "We are totally against this. They are our Hindu brothers." He spoke at an interview on the outskirts of Srinagar with a dozen of his followers, all carrying automatic weapons.

UN envoy presses peace plan on Afghan leader

THE United Nations special envoy on Afghanistan, Mr Benon Sevan, made an unscheduled trip to Kabul, the Afghan capital, yesterday after holding talks with Pakistani and Iranian ministers in Tehran, Reuter reports from Kabul.

Mr Sevan went straight into talks with Afghan President Najibullah. UN officials refused to comment on the meeting.

Diplomats in Kabul said the visit could indicate new developments in his efforts to convene an assembly of prominent Afghans next month to end 14 years of civil war. UN and mujahideen officials in Pakistan say he is trying to speed up the peace process for fear of growing instability in Kabul and northern Afghanistan.

Earlier this month Mr Najibullah announced he would play no part in Mr Sevan's Afghan assembly and was ready to hand over all government powers if it could agree an acceptable interim government to take office in Kabul. His announcement coincided with Kabul's loss of the northern city of Mazar-i-Sharif to mujahideen guerrillas.

Keating puts up $114m to fight racism

By Kevin Brown in Sydney

THE Australian government is to spend A$150m (US$114m) over five years to try to improve conditions for the country's Aboriginal minority, and combat discrimination by white Australians.

The spending forms the first part of the government's response to the report of a Royal Commission into the deaths of 99 Aborigines and Torres Strait Islanders in police custody.

The Commission found that the dead prisoners, most of whom committed suicide, were victims of "entrenched and institutionalised racism and discrimination".

Mr Robert Tickner, the federal Aboriginal affairs minister, said their deaths were "the tragic consequence of two centuries of dispossession, dispersal and appalling disadvantage".

He said there was "a moral and political obligation on those in positions of political leadership to bring about genuine, lasting change in the lives of Aboriginal and Torres Strait Islander people".

However, the impact of the spending package was offset by a barely concealed row between Canberra and the eight state and territory governments over the financing of some of the commission's 339 recommendations.

The state governments claim to have spent A$100m on meeting the recommendations, and accuse the federal government of starving them of funds for Aboriginal programmes.

The issue was shelved after a stormy meeting between the federal and state governments in Melbourne last week, but is likely to prompt further wrangling next month when the state premiers meet Mr Paul Keating, the prime minister.

The government said A$71m of the package would be spent on combatting alcohol and drug abuse. A further A$50m will be provided to improve Aboriginal legal services.

An Aboriginal Social Justice Commissioner will be established to monitor human rights abuses.

UN sanctions will boost links between Egypt and Libya

By Tony Walker in Cairo

TRAFFIC across Egypt's remote western border with Libya is expected to increase after the UN ban on aviation links starts on April 15.

Shipping from Egyptian ports is also likely to benefit from the air embargo. Other neighbours of Libya certain to experience a jump in "transit" traffic include Tunisia, which shares a land border, and Malta.

Col Gadaffi's recent threat, in an interview with France's Figaro magazine, that he would refuse to do business with "hostile" countries, such as France, indicates Libya will be more selective in its choice of trading partners. "I make it quite clear and what I am telling you is a warning: whoever supports our political cause will benefit from all our projects. Whoever stands against our political cause will get nothing."

Egypt fears, however, that the ban on air links will be only a first step, and that if Libya continues to refuse to yield those suspected of the Lockerbie bombing and blowing up a French airliner harsher sanctions will be considered, including an oil embargo.

Egypt has been trying to neutralise western attempts to further isolate Col Gadaffi and his regime, fearing this may bring about an upheaval in Libya with unforeseen consequences for all its neighbours.

In Cairo this week, Dr Osama al-Baz, a senior presidential adviser, said Egypt wanted to lessen tensions between Libya and the West.

Western officials in Cairo say that while Egypt will probably fall reluctantly into line with the letter of the UN resolutions, it will do what it can to soften the blow to Libya by facilitating movement of goods and personnel that would normally have gone by air.

Egypt is also likely to push ahead with various co-operation programmes with Libya. These include plans to settle thousands of Egyptian farmers in Libyan desert regions to utilise water from Col Gadaffi's "Great Man-Made River" – a vast scheme to tap desert aquifers.

Egypt and Libya are also improving their road and rail communications across their border, discussions are well advanced on ways of linking their power grids, and there has also been talk of extending co-operation in the oil sector.

Relations have blossomed between the two countries since Egypt was readmitted to the Arab League in 1989. Egypt's President Hosni Mubarak and Col Gadaffi exchanged visits in the same year.

Air links, severed in 1977 after Egypt and Libya fought a brief border skirmish, were re-established in June, 1989. Now, it seems, they are about to be cut again, but under vastly different circumstances.

Lonrho, Page 21

Kuwait to bail out banks with bond sale

By Mark Nicholson
Middle East Correspondent

KUWAIT's consultative assembly yesterday approved a plan to clear the emirate's commercial banks of $20bn (£11.5bn) of bad debts through an exceptional sale of government bonds.

The National Council's long-awaited approval, by a vote of 41 to 14 with two abstentions, has no legal power in itself, but had been sought by the government to give the debt buy-out political credibility.

Kuwait's banks and companies have been waiting for final clearance of the plan before they can produce accounts for the period since Iraq's invasion in August 1990. It is widely seen, therefore, as a prerequisite to kick-starting Kuwait's post-war economy.

About a quarter of the debt has lain on the books of Kuwait's commercial banks since the catastrophic crash of the informal Souq al Manakh stock market in 1982.

Under the plan, the banks will receive bonds to the value of the debt, which will then be taken over by the government. Debtors will then have 20 years to repay.

However, each debtor will have to produce accounts to allow an assessment of their ability to repay, and at what rates of interest.

Critics of the plan say this will discourage debtors from revealing their full assets while at the same time doing nothing to trim the vast bureaucracy in Kuwait's financial system which has been struggling with the Souq al Manakh bad debts for the past decade.

- Force may be needed to make Iraq respect Kuwait's border, the emirate's envoy to the United Nations said in a recent newspaper interview, Reuter reports from Kuwait.

Mr Mohammed Abu al-Hassan told the Al-Anbaa daily Iraq had set up several border posts inside Kuwait's territory in a clear breach of the Gulf War ceasefire agreement.

Li Peng under fire over economic growth policy

CHINESE legislators have expressed unusual criticism of Prime Minister Li Peng's annual report, urging faster economic growth in keeping with senior leader Deng Xiaoping's call for bold reforms, AP reports from Beijing.

Even though Li echoed Deng's call for bolder economic reforms, accounts in the official media suggest many delegates at the annual session of the National People's Congress believe the prime minister is not adequately promoting the changes.

The official Xinhua News Agency yesterday quoted army delegate Wei Mingyi as saying Li's proposed 6 per cent rate for economic growth in 1992 was too low. China's growth rate for 1991 was 7 per cent. "This does not accord with the spirit of speeding up economic development," Xinhua paraphrased Wei as saying.

Another delegate said many local enterprises lost key decision-making powers after the central government imposed anti-inflation measures in 1988. Others criticised the government for failing to streamline the bureaucracy.

Xinhua also reported on several delegates opposing the plan to build the world's largest hydroelectric project, at the Three Gorges on the Yangtze River. Li has been a main backer of the dam.

- A senior Chinese official acknowledged yesterday that Beijing is collecting information on Hong Kong residents, but denied they would be arrested after China takes control of the territory in 1997.

Tao Siju, China's minister of public security, told the government-owned Hong Kong radio that Beijing keeps files on scores of Hong Kong residents. Many of them are believed to be pro-democracy activists.

Du Plessis bows to business and church pressure

Pretoria agrees to continue VAT exemption on basic foods

By Philip Gawith
in Johannesburg

The South African government yesterday agreed to continue exempting certain basic foodstuffs from value added tax, giving in to pressure from trade unions, business and church groupings.

When VAT was introduced last September, at a rate of 10 per cent, nine food items were exempted for a six-month period, which ended last night. The introduction of the tax was accompanied by a general strike opposing the method in which it was introduced, and further mass action had been promised if the exemptions were lifted.

Mr Barend du Plessis, finance minister, who made yesterday's announcement, continued to stress that exemptions mitigate against maximum efficiency of the tax, which requires the broadest possible base.

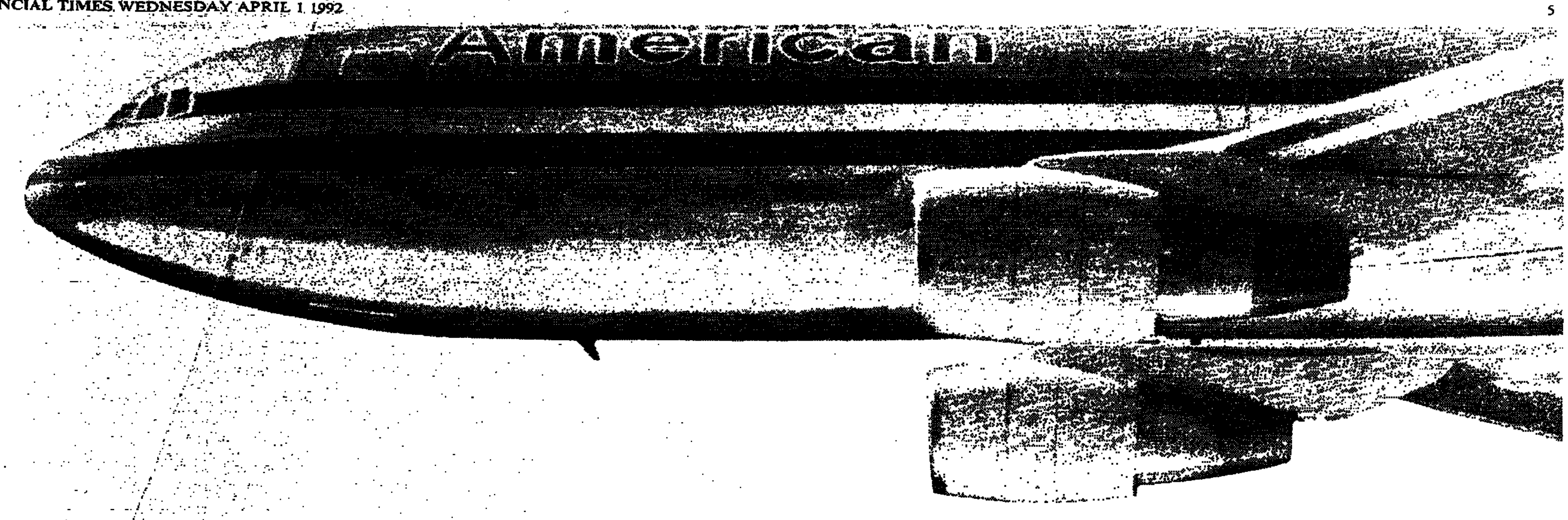
Business and church leaders argued that the exemption should continue, given the current high unemployment and recession. Mr du Plessis might not otherwise have heeded the similar protests by Cosatu, the dominant union grouping, with whose leadership there exists a well established antipathy.

The temporary zero rating on milk and rice will be lifted as planned. But it will stay in place for the time being for samp, mealie (maize) rice, dried whole mealies, dried beans, soya beans, lentils, tinned pilchards, milk powder and dairy powder mixture. Brown bread and mealie meal were granted a long-term zero rating from the outset.

Mr du Plessis pointed out that the exemption of mealie meal and brown bread cost the state R1bn ($346m) a year. Maintaining the exemption on the other foodstuffs will cost the state R136m this year, but it will receive R244m from the tax on rice and milk.

The government's case for not zero rating foods initially rested on the fact that it planned to offer nutritional assistance schemes to the most needy. Last year R220m was voted in the budget towards this cause with a further R440m provided for in the 1992-93 budget tabled last month.

However, only half the R220m was spent in the last financial year, much of it on setting up delivery structures.



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NEWS: AMERICA

US recovery is under way, indicators show

By Michael Prowse in Washington

A BATCH of positive economic indicators yesterday provided further evidence that the US economy is recovering from recession.

The Conference Board, a New York business analysis group, said its index of consumer confidence rose nearly seven points in March, to 54.0. This was the first rise since last June and the biggest since the Gulf war ended last spring.

Separately, the Commerce Department said the composite index of leading indicators – the main gauge of turning points in the economy – rose 0.8 per cent in February, following a strong 1 per cent gain in January.

Regional indices of industrial conditions were also up. Chicago and Detroit purchasing managers' indices both rose, indicating faster expansion in manufacturing industry.

The figures were published as the Federal Reserve's policy-making open market committee met to discuss the monetary outlook. The Fed is not expected to sanction another cut in interest rates unless the incipient recovery appears to flag.

The reaction on financial markets was muted as many traders were hedging their bets until the release on Friday of the March employment report. This is seen as giving the best monthly snapshot of economic conditions.

Most forecasters believe a mild recovery is under way but confidence remains fragile, partly because a similar recovery last spring ground to a halt in a few months. Mr Bruce Steinberg, senior economist at Merrill Lynch, said slow growth of employment would restrain the pace of recovery in coming months.

Mr Fabian Linden, for the Conference Board, said the level of consumer confidence, while the best since last October, remained "less than reassuring". The most encouraging sign was a sharp rise in the component of the index measuring consumers' expectations. People were slightly more optimistic about job prospects but the numbers planning to buy cars or homes had fallen slightly.

Seven of 11 indicators contributed to the sharp increase in the index of leading indicators. A longer work-week, followed by faster monetary growth and a jump in building permits, provided the biggest boost.

An index of coincident indicators – which measures the current state of the economy – rose 0.7 per cent in February after a 0.6 per cent decline in January, another sign that the economy is turning around.

Perot draws support from across the US as the Not-Bush-or-Clinton candidate

By Jurek Martin, US Editor, in Washington

MORE than one American in five would vote for H. Ross Perot, the Texas businessman, in a three-way presidential contest with George Bush and Bill Clinton, according to a nationwide poll conducted for the Los Angeles Times.

The degree of discontent with what is still the most likely match in November is underlined by the extraordinary fact that a third of those surveyed said they knew virtually nothing about what Mr Perot stood for.

Fleshing out his proto-candidacy as an independent, Mr Perot has named retired Admiral William Stockdale, who spent eight years as a prisoner of war in Vietnam, as his "interim" vice-presidential running mate. He needed to identify a number two by name in order to qualify for the ballot in 28 states. He has said he will run only if he is on the ballot in every state.

The poll, of 1,521 adults conducted last weekend, gave Mr Bush 37 per cent, Mr Clinton 35 per cent and Mr Perot 21 per cent in a three-way contest. Without Mr Perot, Mr Bush held a slim 48-46 per cent edge over Mr Clinton, who, in turn, led Mr Jerry Brown by a wide 53-25 per cent in preference for the Democratic nomination.

The latter findings will come as some relief to Mr Clinton, otherwise pressed at every turn by Mr Brown's insurgent campaign in advance of the New York, Wisconsin and Kansas primaries next Tuesday. One New York TV poll, which did not predict a Clinton-Brown result, confirmed that the state's voters harbour ever increasing doubts about the front-runner's integrity.

It suggested that Mr Perot's putative support was drawn equally from Mr Bush and Mr Clinton. But its most telling finding was that 72 per cent of those surveyed thought the country was "heading in the wrong direction". Mr Brown has also capitalised on this sentiment.

Some caution obviously is in order. Independent candidacies often look better in the spring than in the election proper and, in all postwar elections, only one – the regional favourite, George Wallace from Alabama – scored in double digits, in 1968. At about this time in 1980, a comparable Los Angeles Times poll gave John Anderson 23 per cent, which fell to a mere 7 per cent of the vote in November.

But 1980 was a very different political year. Mr Anderson, a liberal Republican, ran as an alternative to Ronald Reagan's conservatism and President Jimmy Carter's indecision but was eventually squeezed out by the two main party juggernauts.

Neither is now running on all cylinders and the electorate is more clearly disenchanted. In this vacuum, Mr Perot, inundated with telephone calls urging him to run, must be encouraged by national poll findings like this one and has the financial resources to wage a campaign.

Perot: proto-candidate

Congress sings the incumbency blues

US legislators, says Jurek Martin, may face growing difficulty in getting re-elected

TWO YEARS years ago, as now, incumbency was not the flavour of the year. Congress, facing mid-term elections, was in bad odour because of assorted savings-and-loan scandals, and the nasty smell of higher taxes was in the air after a decade of fumigation from the Republican White House.

So what happened? No less than 96 per cent of all congressional incumbents were returned to office, and the Democrats slightly strengthened their hold on both houses. State governors did take a hit, with 14 out of 36 losing their jobs and with some political heavyweights, both Democrat and Republican, suffering narrow squeaks or bloody noses.

But, mostly, the status quo was maintained, in good measure because of money. Only 23 challengers were able to raise half as much as their incumbent opponents. Political action committees, the principal vehicles for campaign finance, donated 19 times as much to incumbents as to challengers. In all, of the 406 seeking relection, 79 were unopposed and a further 168 were up against challengers able to raise less than $25,000, which barely buys one television advertisement in a big market.

The anti-incumbency mood seems stronger this year, with the general discontent with politics-as-usual in Washington reinforced by specific factors. The House of Representatives' cheque-bouncing scandal has helped drag Congress down to its lowest-ever level of public esteem. The movement to limit the terms of elected officials has gathered some steam; voters in the state of Washington last November rejected such an initiative, but this has been offset by a recent Supreme Court ruling leaving intact a new limitation law in California.

Also, the 1990 national census has meant the redrawing in the last two years of many congressional districts to reflect shifts in the national population. Finally, an unusual number of sitting congressmen, about 50 in the House and six in the Senate, have announced retirement or have already been defeated in primary elections.

Some, like Mr Warren Rudman, the Republican senator from New Hampshire, made many an incumbent look over his or her shoulder, by issuing farewell blasts against the political establishment's unwillingness and inability to face up to real problems.

The only hard evidence of the strength of feeling against incumbents came on March 17th in Illinois, the first primary combining both presidential and congressional races. It saw several entrenched incumbents thrown out and others winning only with greatly reduced majorities. Local and personal circumstances were dominant in some cases, but not in all.

As a result, the forecasts for what might happen in Congress this year are being reconsidered. The 435-seat House of Representatives – currently split between 268 Democrats, 166 Republicans and one socialist independent – could get as many as 100 new faces in November, approaching the post-war high of 118 in 1948.

There are 35 seats up in the Senate, where the Democrats hold a 57-43 edge, 20 defended by Democrats and only 15 by Republicans, and the proportional turnover could be as great.

Naturally, as the minority party in Congress, the Republicans sense a rare opportunity, especially if President Bush's onslaught on Democratic control of Congress takes hold. It was considered inconceivable that the Democrats could lose control of the House, which they have run since 1954, and it probably is still unlikely. But, assuming the Democrats lose some seats, the House might acquire the sort of ideological majority that prevailed in President Reagan's first term, with conservative southern Democrats, probably the least vulnerable at the polls, often joining forces with their Republican colleagues.

In the Senate, the additional Democratic vulnerability means that an earthquake comparable to that which produced a Republican majority in 1980 for the first time in 26 years cannot be ruled out. As many as 13 Democratic seats, several won in 1986 when control was wrested back, are reckoned to be particularly shaky, compared to only seven for the Republicans, according to a recent survey by the National Journal.

Part of the Republican optimism in the House stems from the fact it has done better than expected in the state fights over redistricting. The general population shift to the south and west, giving California, for example, seven more House seats, favours the Republicans, but this might have been negated by Democratic control over the majority of state governorships and legislatures which redraw boundaries. That seems not to have happened.

Money continues to favour incumbents, but smart money always hedges its bets. Moreover, Mr Jerry Brown has already demonstrated in the Democratic presidential primaries that it is possible to make a political virtue out of running on a shoe-string, with small contributions and thus beholden to no special interest group. Perhaps because of this, nearly twice as many challengers have declared their intent this year as against this time in 1990.

These are, however, very early days. Most congressional primaries will not take pace until the summer and autumn. Even then, it will be difficult to differentiate between national sentiment and local circumstance. Equally, the impact of the presidential race is unpredictable. Ronald Reagan's coattails, long in 1980, had disappeared by 1984. Ticket-splitting had become, in effect, the national norm, and, even if the plague on incumbency becomes endemic, the end result may be similar.

Collor in talks on new government

By Christina Lamb in Rio de Janeiro

BRAZILIAN President Fernando Collor is expected to announce a government of "national conciliation" following the resignation of his administration on Monday.

The resignation of more than 30 ministers and federal secretaries was apparently initiated by Mr Collor, disturbed by the avalanche of corruption scandals involving senior government figures.

He spent yesterday morning meeting state governors from different political parties, apparently to broaden his political base. Mr Pedro Luis Rodrigues, Mr Collor's press secretary, said: "The president is determined to choose ministers of excellent quality."

So far Mr Collor has announced only two new ministers. Mr Celio Borja, head of the Electoral Commission, is to become the new law minister. Mr Helio Jaguaribe, a leading political scientist and critic of Mr Collor from the Social Democratic party (PSDB), has been named secretary for science and technology and will act as co-ordinator of social policy. The PSDB said this did not mean that the party would enter a coalition.

Eight ministers have been confirmed in their posts - those for economy, education, health, labour and social action, and the three military ministers. However there has been no word yet on three big ministries – foreign affairs, agriculture and infrastructure – or on 26 of the federal secretaries.

Mr Cesar Maia, a congressman from the main opposition party, criticised the move as "a very dramatic way of getting rid of a few people". He added: "You don't need to burn the house down to replace a sofa."

But reaction in Brazil has been generally positive. The Rio market rose 6.9 per cent yesterday and the Sao Paulo exchange was up 5.6 per cent.

Argentina set for $3bn IMF credit

THE board of the International Monetary Fund was yesterday due to approve a $3bn (£1.7bn) extended fund facility for Argentina, writes Stephen Fidler in Washington.

The funds will be disbursed over the three-year life of the programme. Approval of the programme is an important part of the government's attempt to secure a comprehensive restructuring of its debt with commercial banks.

Some 25 per cent of the funds can be set aside for use as "enhancements", funds used to guarantee the concessional bonds exchanged for bank debt under the Brady Plan restructuring.

The EFF follows an 11-month, $1.1bn stand-by loan facility agreed in July last year by the Fund. It will be seen as an important contributor to growing confidence in the economic reform programme of the administration of President Carlos Menem.

NEWS: WORLD TRADE

Indonesia in $850m pulp and paper venture

By William Keeling in Jakarta

A $850m (£496m) integrated pulp and paper factory is to be built in Aceh, northen Sumatra, Mr Hartarto, Indonesia's industry minister, announced on Monday. Initial capacity is expected to be about 75,000 tonnes a year, although Mr Hartarto said the plant would eventually reach 1,000 tonnes per day.

The plant, expected to start production of rayon-grade pulp in 1995, is a joint venture between PT Risjadson Holding and Investment Company of Indonesia, with 60 per cent of the equity, and Ballarpur Industries Ltd of India, with 40 per cent. Ballarpur will manage the plant.

Indonesia's pulp and paper industry has a total capacity of over 2.5m tonnes a year from more than 50 mills and is growing fast. In 1990, pulp production increased 223 per cent to 682,700 tonnes, with production in 1991 estimated at 981,000 tonnes. Paper production increased from 1.1m tonnes in 1990 to an estimated 1.47m tonnes last year.

The industry's capacity will increase further this year with the expected completion of a $111m newsprint plant in Cibinong, owned by PT Aspex of Indonesia, with a capacity of 100,000 tonnes a year.

Community accuses US of blocking steel accord

By Frances Williams in Geneva

NEGOTIATIONS on a new multilateral code governing world steel trade broke up in acrimony yesterday as the European Community accused the US of blocking an accord. The proposed Multilateral Steel Agreement (MSA) was intended to replace voluntary restraints on steel exports to the US market, which expired last night.

Mr Rufus Yerxa, deputy US trade representative, said yesterday the US could not accept an agreement "that lacks meaningful disciplines over subsidy practices and unduly restricts our ability to use domestic trade laws to counter those practices."

The EC and the other 24 countries involved in the talks fear that failure to reach a deal will result in a rash of anti-dumping and anti-subsidy suits by US steel producers seeking an alternative method of protecting the domestic market. The US administration has decided not to renew the restraint arrangements and EC officials made clear yesterday that its exporters could now export freely to the US market.

Trade officials said negotiators would continue to meet bilaterally and multilaterally to resolve outstanding issues, but no specific time frame had been set.

The MSA would have phased out tariffs on steel, eliminated non-tariff barriers and outlawed direct state subsidies for steel production.

The sticking point for the US has been the wish of the EC and other steel exporters to permit without restriction aid for research and development, environmental upgrading, redundant steelworkers and factory closures, coupled with measures to limit countries' recourse to anti-dumping and countervailing duty actions.

Aircraft subsidies talks resume

By Andrew Hill in Brussels

EC and US negotiators began last-ditch talks on subsidies for the manufacturers of civil aircraft yesterday, determined to resolve their outstanding differences.

"We really are going into this session here tonight with the purpose of finishing this," said a senior EC official before the meeting began. The talks were expected to run late into the night and could continue today even though the two sides' self-imposed deadline for a solution expired at midnight.

This is the third time in a fortnight that Mr Hugo Paemen, the EC's senior trade negotiator, and Mr Michael Moskow, the US deputy trade representative, have met for negotiations centred on the level of direct government subsidies for Airbus Industrie, the EC manufacturing consortium, and indirect grants for US manufacturers.

Both sides have commented on the positive atmosphere of last week's Washington talks. The principal problem now is working out the exact levels of subsidy which each side is prepared to allow the other and concede on behalf of its own manufacturers.

Neither the US nor the EC would confirm the figures under discussion, but negotiators are believed to be talking about direct subsidy levels of between 30 and 35 per cent, compared with the EC's original offer to reduce the level to 45 per cent.

In return, the US would have to agree to peg indirect support to a much lower figure, perhaps as low as 5 per cent. The EC believes the US government has been channelling subsidies to manufacturers in the form of defence and space research grants.

Malaysia in frigate deal with GEC

By David White, Defence Correspondent

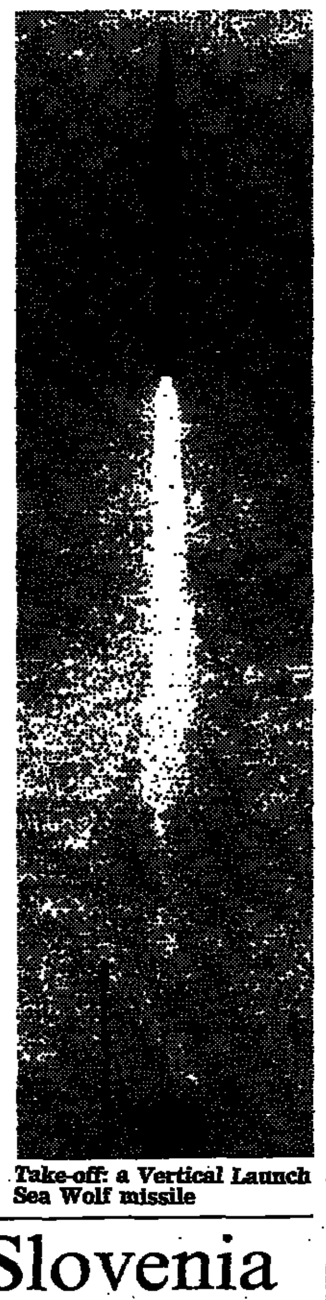
MALAYSIA has ordered two frigates from Yarrow Shipbuilders, part of the British GEC group, in a package worth £400m.

The deal, confirmed by GEC yesterday, is considerably larger than expected and provides a crucial boost to the Yarrow yard on Clydeside. The long-awaited contract, held up since last autumn by negotiating difficulties, is the first overseas warship order Yarrow has won since it was sold by the UK government in 1985.

The 105-metre helicopter-carrying frigates are larger vessels than the corvettes that were originally under discussion with Yarrow. Their armament includes BAe Vertical-Launch Sea Wolf missiles for air defence, the first export order for these weapons.

The Malaysian order, which includes weapons, electronic systems, spares and training, brings to well over £1bn the volume of defence purchases under a 1988 agreement between the the UK and Malaysian governments. Other contracts include British Aerospace Hawk jets and GEC-Marconi air-defence radars.

The deal follows confirmation earlier last month of a £150m deal for two smaller corvettes for Oman by another UK warship builder, Vosper Thornycroft.



Take-off: a Vertical Launch Sea Wolf missile

NEWS IN BRIEF

Japan offers Algeria untied loan of $300m

The Export-Import Bank of Japan is to lend Algeria $300m (£173m), part of a co-financing with the World Bank which last June extended a $350m financial sector adjustment loan to north Africa's largest country, writes Francis Ghilès.

The loan, part of the Japanese government's fund recycling programme, is the first untied loan of this nature to an African or Middle East country. Algeria's foreign debt currently totals $23.4bn.

In a further gesture of support for Algeria's economic reforms, the Export Import Bank is expected to extend two further loans soon.

The first, amounting to $100m, will be earmarked for the revamping of a liquid petroleum plant belonging to the state oil and gas monopoly, Sonatrach. The second, an $80m co-financing with the World Bank which is expected to lend $200m, is for the extension of Sonatrach's production capacity.

Japan's support for Algeria when debt repayments are severely constraining the North African country's capacity to import vital spare parts and semi-processed goods is also a recognition of Algeria's dogged perseverance in refinancing its $23.4bn foreign debt rather than rescheduling it.

IRI in $62m Polish gas rig order

IRI International, a joint venture company formed by Ingersoll-Rand and Dresser Industries of the US, has won a $62m order from PGNG, Poland's state gas and oil corporation, to supply natural gas drilling rigs, writes Andrew Baxter.

The deal is the largest purchase of this type of equipment made by PGNG. The five mobile and five stationary rigs will be financed from a $250m World Bank loan for Poland's mining industry.

Ingersoll-Rand is a leading US manufacturer of industrial and construction equipment. Dresser-Rand, another joint venture between it and Dresser, supplies hydrocarbon processing equipment and services.

Kvaerner £196m ship deal

Norway's Kvaerner group said yesterday that Kvaerner Masa-Yards, the Helsinki shipyard it owns, was awarded a NKr2.2bn (£196m) contract to build the fifth in a series of cruise ships for Miami-based Carnival Cruise Lines, writes Karen Fossli in Oslo.

The 71,000-ton ship, to be called Imagination, is to be delivered in the autumn of 1995 and will have capacity for 2,600 passengers.

Mr Erik Toenseth, Kvaerner's president, said yesterday that the new order brought Kvaerner Masa-Yards' net order book up to an estimated NKr9bn.

Two sister-ships to Imagination, Sensation and Fantasy, are due for delivery from Masa-Yards respectively in 1993 and 1994. Kvaerner has two Finnish shipyards, one in Aabo and the other in Helsinki, which combined employ 4,100 people.

Dyno seeks US joint venture

Dyno Industrier, the diversified Norwegian group with main interests in chemicals, said yesterday that its US unit Ireco was holding talks with Imperial Chemical Industries' US unit, Atlas Powder, to establish a joint venture to produce dynamite for the North American market, writes Karen Fossli.

Dyno said that the aim of a new joint company was to take over, rationalise and continue the dynamite production of the existing two companies. "It is expected that the parties will complete negotiations during the summer of 1992," Dyno said.

The company explained that negotiations on the consolidation come as a result of the continuing fall in demand for dynamite in North America.

Dyno said Ireco and Atlas Powder had combined annual dynamite production of 36,000 tonnes. Last year worldwide explosives sales accounted for 22 per cent of Dyno's NKr3.5bn turnover.

China's oldest economic zone to expand

CHINA'S oldest special economic zone plans to expand its borders beyond Shenzhen, official reports said yesterday, in another sign of Beijing's renewed support for free-market reforms, AP reports from Hong Kong.

The official China News Agency, in a dispatch from Beijing, said the zone, a centre for capitalist-style development in China, would grow six times in size when it absorbed nearby Bao'an County.

The zone, now 327.5 sq km (126 square miles), borders the British colony of Hong Kong.

Renault keeps faith with its plans in Slovenia

By Judy Dempsey recently in Novo Mesto, Slovenia

WARS do not sell cars, as Mr Bernard Coursat, the general director of Revoz, in which Renault holds the majority stake, is realising.

Nevertheless, the large, modern plant in Novo Mesto, an hour's drive from Ljubljana, the Slovene capital, continues to increase production with the expectation that exports to France, which account for 65 per cent of total sales, will remain steady, and exports to the former Yugoslavia will pick up.

The figures for the latter market are far from encouraging. Since last October, when the civil war in neighbouring Croatia was at its worst, a total of 2,500 cars were told to Serbia, the biggest of the Yugoslav republics. Renault sold 200 cars, and Volkswagen, which has a plant in Sarajevo, the capital of Bosnia-Hercegovina, sold 1,000 vehicles to a republic which has a population of over 8.5m. "This is serious," said Mr Coursat.

Transport and communications difficulties in Yugoslavia have also affected sales. Despite this, Renault will assemble the Clio, successor to the Renault 5, at its plant in Novo Mesto. Having already invested FFr800m (£82.5m) in the project, Renault remains committed to boosting production and sales.

In 1989, a year after Renault formed Revoz – a joint venture with IMV, the Slovene state-owned engineering and vehicle manufacturing plant which had been transformed into a stock-holding company – Renault was producing 47,500 units, consisting of the Renault 4 and 5 models. The figure increased to 67,915 in 1990, and to 74,976 in 1991.

Mr Anton Repovs, production head at the plant, said assembly of the Clio would push up annual production to 75,000. Daily productivity is set to increase from 360 units to 450 units.

Renault, which first started assembling cars in Slovenia 18 years ago and which recently increased its stake in Revoz to 54 per cent, believes low labour costs among a skilled-labour force provides the main incentive for assembling the Clio in Slovenia. The wage bills are between four and five times lower than in France.

Renault also has close links with Ljubljanska Banka, which holds a monopoly in the banking sector and which holds 26 per cent of IMV's 46 per cent stake in Revoz. Cheap labour bills and good financial connections apart, Mr Coursat remains preoccupied with regaining the markets of the former Yugoslavia. He has little choice.

The Slovene market, which normally accounts for 10 per cent of total annual car sales to Yugoslavia, remains too small for Renault – Slovenia has a population of 2m. Renault already holds 48 per cent of the republic's car market, and 10 per cent of the Yugoslav market.

"We have to do everything to regain our market share, and increase it, in the former Yugoslavia," said Mr Repovs. "This market, and the markets in south-eastern Europe, are potentially huge. Already we have set up bilateral contracts with the republics of Macedonia and Bosnia-Hercegovina to sell cars. We have no choice but to keep expanding in this part of Europe."

ABB raises stake in rail manufacturer

By Roland Rudd and Andrew Baxter

ASEA Brown Boveri, Europe's largest electrical engineering group, yesterday increased its stake in Britain's largest railway equipment manufacturer to 80 per cent as the government announced new orders for the company.

The Swiss-Swedish group announced that it had acquired Trafalgar House's 40 per cent stake in Brel - formerly British Raul Engineering Limited. Although the terms of the deal were not revealed it is understood that ABB paid a nominal sum, believed to be a £1, for the 40 per cent stake.

Trafalgar's investment has been written down to £1 because of Brel's mounting losses and adverse publicity arising from defects in the class 158 express trains. Trafalgar's loan stock in Brel, worth about £13m, is due to be repaid by Brel in 1994/5.

News of ABB's acquisition coincided with the announcement that British Rail – the state rail network – has found the finances to place a £130m order for new coaches which could save 1,500 jobs at Brel in York.

Mr Roger Freeman, transport minister, told the local Conservative MP, Mr Conal Gregory, that BR are proposing to place an order shorty for 188 Network Coaches for Network SouthEast.

Mr Gregory is defending a majority of just 147 in the April 9 general election: the narrowest government majority in Britain.

The government had been under pressure from Labour's transport spokesman, John Prescott, who had written to Malcolm Rifkind, transport secretary, urging him to allow BR to place an immediate order with Brel in York.

BR confirmed yesterday that it expected to place the order by mid April, although it may not necessarily go to Brel. The only other competitor is Metro-Cammell, part of GEC Alsthom. The corporation also announced that it had ending its long-running dispute with Brel over the cost of modifications and repairs to the 447 Class 158 trains being built by Brel, mainly for BR regional services.

Trafalgar House, meanwhile, recently reported a £26.5m provision against its investment in Brel and had made no secret of its unhappiness with its involvement in the railway equipment maker.

A financier involved in the deal suggested that the combination of events yesterday was no coincidence and that BR was under intense pressure to place the order with Brel.

ABB and Trafalgar House installed Mr Bo Södersten, an experienced railway executive, as Brel's new chief executive in replace of Mr Peter Holdstock six months ago.

Since his appointment Brel has cut 1,000 jobs and substantially reorganised its new construction division.

Wind farm orders 103 turbines

By Andrew Baxter

THE commercial exploitation of windpower in the UK took a leap forward yesterday with the placing of an order for 103 turbines to power a wind farm in mid-Wales, which will be one of the largest in Europe.

Mitsubishi Heavy Industries of Japan will supply the turbines for the wind farm near Llandinam in Powys. It will be only the second wind farm to be built in the UK. The turbines have an output of 300kw each, giving the wind farm a total power capacity of 31MW.

The wind farm is being built jointly by Tomen, a Japanese trading house, EcoGen, a UK company formed in late 1990 to bring together a number of interests working on commercial wind power, and SeaWest, a US company, the world's largest independent developer of wind farms.

The mid-Wales project is the first of several planned by the three companies, which could involve total spending of Y20bn (£86.6m) over the next few years.

EcoGen has been working on identifying a number of UK sites for wind farms. The order for the turbines follows the project winning planning permission in February.

Mr Kirby said another site on Anglesey had also won planning permission.

Power links to cancer questioned

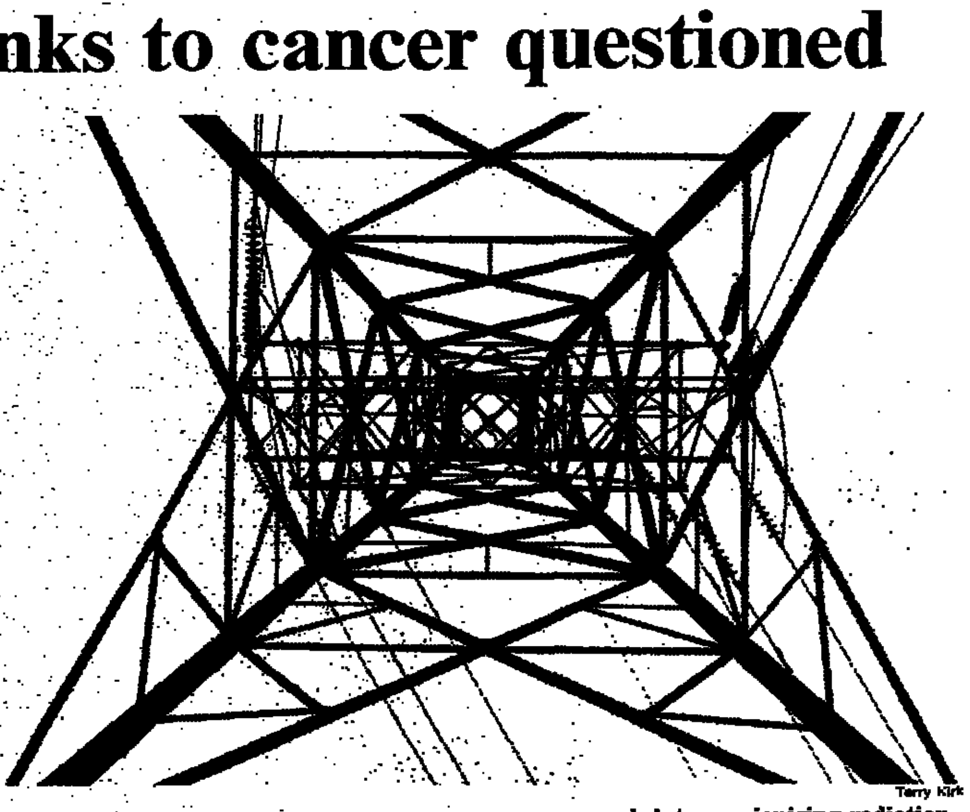
By Clive Cookson, Science Editor

THE EVIDENCE that electromagnetic fields generated by electrical appliances and overhead power lines can cause cancer is inconclusive, according to a comprehensive review released yesterday by the National Radiological Protection Board (NRPB).

The NRPB is to sponsor more research into the health effects of non-ionising radiation, which everyone living in an industrialised country is exposed to through the use of electricity.

The data available so far "do not appear to provide the basis for restricting human exposure to non-ionising electromagnetic radiation," said Mr Roger Clarke, NRPB director.

An NRPB committee chaired by Sir Richard Doll of the Imperial Cancer Research Fund carried out the review. Mr Clarke called it "the biggest study published anywhere in the world on cancer and electromagnetic fields."


Terry Kirk

Transmission line: the NRPB is to sponsor more research into non-ionising radiation

The subject is controversial because some environmental groups, particularly in the US, are convinced that electromagnetic fields can damage health. They have used the alleged cancer risk to campaign against overhead power lines, and some cancer patients living close to power lines are now suing electric utilities.

A report by the US Environmental Protection Agency in 1990 concluded that there was a statistical link between exposure to electromagnetic radiation and human cancer.

The EPA report was withdrawn before publication because other federal agencies in the US were not happy with it.

Sir Richard told an NRPB press conference in London yesterday that the EPA draft report "was so inadequate in so many ways that it could not be adopted".

The NRPB report reviews more than 60 studies of occupational cancer in electrical workers and eight studies of childhood cancer. Leukaemia and brain cancer are the two diseases most likely to be associated with electromagnetic fields.

"I am confident that there is no occupational hazard of leukaemia," Sir Richard said. There was more chance – though no clear evidence – that a small excess of brain cancer among electrical workers might be due to electromagnetic radiation.

Professor Nicholas Grant of King's College, London, another member of the NRPB committee, said the evidence for childhood cancer was "weak".

He added that exposure to electromagnetic fields at home might increase the cancer risk by as much as 50 per cent to 100 per cent – equivalent to one extra case per 1,500 children – or there might be no extra risk at all.

Britain in brief

UK executive charged in BCCI inquiry

Mr Nazmudin Virani, the chief executive and chairman of Control Securities, the UK pubs and property group, has been remanded in custody for a week after appearing before City of London magistrates, charged in connection with the Bank of Credit and Commerce International investigation.

Mr Virani is charged on one count of conspiring with Mr Mohammed Moizul Haque and others to present false accounts to the value of $4m (£2.3m) to Price Waterhouse, BCCI's auditors.

It is alleged that the accounts misleadingly showed that BCCI was owed the money by three companies: Duffleland, Impactlight and Virani Group UK.

Lloyd's losses may be £1.65bn

Losses at Lloyd's of London in 1989 could be as much as £1.65bn according to figures circulated by the Association of Lloyd's Members, which represents over 9,000 Lloyd's Names – the individuals whose assets back underwriting at Lloyd's.

Financial Intelligence & Research, which acts as consultants to the ALM, have offered best and worst case scenarios for 1989 results, based on provisional estimates supplied to them by Lloyd's agents. According to the best case scenario there would be a loss of £1.061bn in the 1989 results, which Lloyd's will report officially in June.

Porsche GB director quits

Mr Peter Bulbeck, managing director of German sports car maker Porsche's UK subsidiary for the past eight years, has left the company. A spokesman for Reading-based Porsche Cars Great Britain, whose sales have more than halved from their 1980s peak confirmed that Mr Bulbeck is succeeded by Mr Kevin Gaskell, 33, former general manager, sales and marketing.

Mr Bulbeck's resignation became effective yesterday, after his request, at a board meeting of the Stuttgart car maker's wholly-owned subsidiary on March 20, to take early retirement. The company rejected any connection between Mr Bulbeck's departure and other changes. Porsche has struggled for sales in the face of recession and Japanese competition.

Canadian to launch TV bid

Mr Moses Znaimer, the Canadian broadcaster (above) who founded City TV in Toronto, is to lead a bid to operate a new commercial station in Britain.

Mr Znaimer has set up a new company - Five TV – to bid for the so-called Channel 5 licence which is expected to be advertised in early April. Channel 5 should be able to reach three quarters of the UK audience by conventional transmitters.

Labour would reverse sale

Labour would reverse the proposed £60m sale of County Hall to Japan's Shirayama Corporation so as to be able to return the building to its former role as the seat of London government.

The party intends to use the site to house its planned "slimline" Greater London Authority. Shirayama, a family-owned Osaka property company, intends to turn part of the building into a hotel, with the rest being used for luxury flats and conference facilities.

Row likely on gas prices

British Gas is heading for a row with its regulator over the company's moves to raise the price it charges rivals to transport gas through its pipeline system.

The price rises are shown in a document published by the company which suggests changes to simplify its pricing structure for gas transportation. But Sir James McKinnon, director general of Ofgas, the industry regulator, said yesterday: "the pipeline business is a low or no-risk business and there's no reason for its rate of return to be higher than the current level and maybe that's even too high."

Lautro could limit charges

Life insurance companies could face limits on the charges they pass on to customers who terminate policies before maturity, under new measures proposed by a consultant to Lautro, the industry's self-regulatory body.

The proposals could require companies to make significant changes to the system of paying sales agents. The current system allows commissions to be paid "up-front" as soon as the policy is signed.

It could also address one of the most persistent consumer complaints about the life insurance industry – the small percentage of premiums which are refunded to those who cancel policies early.

Island votes on homosexuality

The Isle of Man has taken a major step yesterday towards falling in line with Europe regarding its laws on homosexuality. The House of Keys, the lower house of the Manx parliament, voted for acceptance of a clause in the Sexual Offences Bill de-criminalising homosexual acts in private between consenting males over 21 years.

ELECTION 1992

PM denies rift with Lamont over finance

By Philip Stephens and Peter Norman

MR JOHN MAJOR, the prime minister, and Mr Norman Lamont, the chancellor, yesterday insisted that a re-elected Conservative government could combine the return to a balanced budget with modest year-on-year reductions in taxation.

As the state of the country's public finances remained at the centre of the election debate, the prime minister rejected suggestions that he was at odds with his chancellor over the outlook.

Speaking at his campaign press conference Mr Major insisted that Mr Lamont's warning earlier this week about the very limited scope for either tax reductions or public spending increases had been directed at Labour's spending plans.

Mr Lamont said on the BBC's Election Call programme yesterday that the government could extend the new 20p rate to more taxpayers during the life of the next parliament by making small adjustments to the rate band that would be less expensive than the £2.3bn it would cost to reduce the 25p basic income tax rate by one 1p.

Although he repeated his view that the government's financial room for manoeuvre was limited, he said that there was some room in the government's plans published at the time of the Budget for a modest cut in the basic rate of tax later in the 1990s. However there was not sufficient scope for Labour's spending programme, which he had costed at £38bn.

Dismissing the gloomy report by the accountants Coopers & Lybrand Deloitte, prepared for The Independent newspaper, Mr Major said that a resumption of growth in the economy would take the public sector back to "broad balance" by the end of the next parliament.

The suggestion in the report that a Conservative government might be obliged to raise income tax in order to balance the budget rested on economic assumptions not accepted by the government.

Mr Lamont reaffirmed his commitment to balancing the budget over the course of the business cycle and said he was optimistic that Britain would return to the growth rates of the 1980s.

He admitted that the UK's national debt would increase slightly in the next few years but insisted that Britain had a very low ratio of debt to gross domestic product compared with other EC states. He said he was "very determined" to achieve a balanced budget and would maintain tight control over public spending to achieve that.

He also forecast that unemployment would fall and that the economy would once again grow as fast as it did in the 1980s.

Fall in sell-offs may threaten shadow Budget

By Peter Norman, Economics Correspondent

A FALL in privatisation receipts in the financial year starting in April next year could pose a threat to Labour's spending plans.

Although Mr Neil Kinnock, the Labour leader, said on Monday that Labour would be "on a par" with the Tories as regards income from privatisation, he said a Labour government would not add to projects in the pipeline. This suggests that Mr John Smith, if he becomes chancellor, could face a £9.5bn shortfall in revenues in 1993-94 and 1994-95.

The Treasury Red Book published on Budget Day envisaged privatisation proceeds of £8bn in the financial year starting today and £5.5bn in each of the two subsequent financial years.

Whichever party is in power after the election is assured of privatisation proceeds of more than £6bn in 1992-93. But income of only £1bn is assured for 1993-94, while in 1994-95 the level of receipts assured at this stage falls to about £500m.

Nearly £5.9bn of this year's privatisation receipts will come from second and third instalments of past share issues. The second instalment from the sale of the Scottish electricity companies should yield £835m in May, to be followed by £1,915m from the second instalment of the second BT sale in July, and £1,465m from the third payment due from the sale of the regional electricity companies in September. A third instalment from the BT sale is due next March and should yield £1,675m.

A further inflow of £350m in 1992-93 is expected from repayment of debt and other small items. In addition, the government has announced plans to privatise Northern Ireland Electricity for about £350m.

The Red Book envisaged a rise in the government's public sector borrowing requirement to £28bn in 1992-93 and £32bn in 1993-94, and subsequent declines in borrowing to £25bn in 1994-95 and £19bn in 1995-96.

However, these projections take into account the £19bn of privatisation proceeds expected in the current and two following financial years. Without this income, the next government would face borrowing totals of £37.5bn in 1993-94 and £30.5bn in 1994-95.

Tony Andrews

High Noon: David Mellor (left), Michael Heseltine and John Maples, the Conservative candidate in Lewisham West, on the campaign trail yesterday

Kinnock accused of CND cover-up

By Michael Cassell, David Owen and Ivor Owen

THE LABOUR leadership was yesterday accused by the Conservatives of covering up the fact that at least 24 of its candidates had been members of the Campaign for Nuclear Disarmament.

On the eve of a planned Tory attack on Labour defence policy, Mr Chris Patten, the Tory party chairman, challenged Mr Neil Kinnock to disclose how many of his party's candidates were still CND members.

Last night's Conservative party political broadcast portrayed the Labour party and Mr Kinnock in particular as being unsuitable to take charge of Britain's defences. The broadcast claimed that at least 100 Labour MPs in the last parliament were CND members.

Mr Patten has written to Mr Kinnock insisting that the public has the right to know how many Labour candidates are CND members. He wrote: "Your shameless cover-up of Labour's strong and continuing links with unilateral disarmers cannot be allowed to continue any more."

Mr Michael Heseltine, the environment secretary, also played the CND card while campaigning in Dulwich. He said: "You can't learn the lesson of defence strategy in the nurseries of CND."

He added: "You can't fight terrorism by repealing the Prevention of Terrorism Act. You can't encourage home ownership by pushing up taxes and losing control of interest rates."

Documents released by Conservative Central Office along with yesterday's broadcast suggested that all references to CND membership, originally intended for inclusion in Labour's official list of candidates, had been removed. Only Mr Bruce Kent, the former chairman of CND who is standing in Oxford West and Abingdon, has his CND connection mentioned.

Joining the attack, Mr Tom King, defence secretary, rounded on Mr Gerald Kaufman, Labour's foreign affairs spokesman, who claimed earlier this month that his party had "nothing whatever to do with CND".

Mr King said the attempt by the party leadership to cover up the links with CND was "a manifest fraud". He claimed Labour had 165 "anti-nuclear" MPs seeking re-election and another 85 candidates with the same views standing for the first time.

Mr King said Labour was determined to ensure that defence did not become an issue. The constitution of CND included the unilateral, unconditional rejection of nuclear weapons, a stance which could not be squared with Labour's election manifesto.

He warned that Labour would cut defence expenditure by several times more than the Conservatives, leading to "a wholesale disbandment of substantial parts of our armed forces".

Positive theme shows Tory variation

By Philip Stephens, Political Editor

THE IMAGES emblazoned on the walls behind Mr John Major and his colleagues at Conservative central office yesterday morning were for once positive.

The blackened tax "bombshell" at the heart of his party's onslaught on Labour's economic strategy had been replaced by a soft-focus photograph of a young schoolboy working happily in the classroom. On the opposite wall was a poster illustrating the steep rise in home ownership delivered by three successive Conservative governments.

Mr Major was joined by Mr Michael Heseltine and Mr Kenneth Clarke – two of his campaign 'A' Team – to spell out the brighter future promised by a fourth electoral triumph. The important subtext was that Labour would wreck it.

It was the message that Mr Major has been trying to convey since his weekend inquest into the faltering Conservative election effort. The aim was to respond to the judgment of party canvassers that wavering voters need positive encouragement to vote Conservative as well as further cause to shun Mr Neil Kinnock.

A few hours later Mr Heseltine played a starkly different tune. The television cameras were invited to the marginal London constituency of Dulwich to hear the environment secretary deliver the bluntest attack of the campaign so far on Mr Kinnock's leadership.

The headline on his press release – "It's the biggest load of Kinnocks I have ever heard" – reflected accurately the tone of a vituperative attack on the Mr Kinnock's leadership.

The sudden lurch from the positive to the negative came as no surprise to those following the Conservative election effort. Nor did it inspire confidence that the party has mapped out a plan for the final phases which will succeed in revitalising a hitherto lacklustre campaign.

So far the strategy pursued by Central Office has projected confusion rather than clarity. It has left the impression that a carefully pre-drafted blueprint has been cast aside in favour of violent tactical swerves. On the campaign trail Mr Major has found an old-fashioned soapbox a more effective means of communication than the expensively contrived events planned by his campaign team.

Labour entered the fray with a single theme – time for change – and has pressed it since with the relentless professionalism which comes from 13 years in opposition.

The Conservatives started with several tunes but have seemed unsure from day to day which to emphasise, which to discard. Senior ministers talk one day of the need for more "positive" campaigning, the next of how the party needs to take a more aggressive line in attacking Mr Kinnock.

The caring Conservatism for the 1990s at the heart of Mr Major's election manifesto was relegated to the background within days of the election announcement. Initial embarrassment about the party's past quickly gave way to a campaigning style of which Mrs Margaret Thatcher fully approved.

Mr Major – the prime minister who had planned to stand aloof from the fray to capitalise on his popularity – was quickly sprinkling his speeches with bloodcurdling attacks on his Labour opponent. By last weekend that was all judged too negative – until, that is, Mr Heseltine's latest speech signalled a new round of attacks on Mr Kinnock.

Those running the campaign have answers for the critics. Winning an election in the midst of recession was never going to be easy. Nor could the image-makers have been expected to forge a seamless link between 11½ years of Thatcherism and 16 months of Majorism. The Conservatives cannot erase so recent a past. Mr Major is inexperienced and Mr Chris Patten has to run both the general election and his own campaign in Bath.

The strategists argue also that day-to-day tactical adjustments have not shifted the party from the ground on which it decided from the outset it would fight the election – taxation, economic competence and leadership.

Whatever other issues have grabbed the headlines since the campaign started, it has returned repeatedly to tax. Nearly two-thirds of the voters have been persuaded that Labour would take more from their wage-packets.

The evidence of 1983 and 1987 confirms that in the privacy of the polling booth, tax ranks much higher in most voters' minds than they are prepared to admit to the opinion pollsters.

The Conservatives insist that this and the other familiar tunes on Mr Kinnock and the economy will play well for them between now and April 9. But so far they have too often looked like an orchestra without a conductor.

Major climbs on Falklands soapbox

By Alison Smith

MR JOHN MAJOR yesterday brought the "Falklands factor" into his election campaign, seizing on reports that Mr Neil Kinnock might be prepared to begin negotiations about the islands' future. Tomorrow it is 10 years since the Argentines invaded the Falklands.

In Chester, standing on his now-indispensable soapbox, Mr Major said: "What do we hear from the Labour leader as we come up to the anniversary of the Falklands war? He wants to enter into discussions about what the future of the Falklands should be.

"I wonder what message that gives to the soldiers, airmen and navymen who actually fought in that war and to the people still living there."

In a weekend interview, Mr Kinnock indicated that Labour might be ready to negotiate with a stable Argentine democracy about the status of the Falklands, provided that there were enforceable guarantees about the islands' security.

He said: "There cannot be anything done without the active consent of the people of the Falkland Islands. Too much has been expended, the loyalty is too great and the status is too important for there to be any abandonment of the needs and desires of the people of the Falklands."

Mr Major also highlighted the contrast between his campaigning and the more "closely minded" style of Mr Kinnock. He capitalised on the presence of a lone heckler in the crowd of a few hundred. "It's nice to see one member of the Labour party who doesn't live in a field train, secreted from the rest of the world," he said.

"Wherever I go between now and April 9 this soapbox is coming with me." There is no way they are going to stop the Conservative message getting right out on the streets."

City Watch: **Barry Riley**

Tax concern displaces many broader issues

FINANCIAL markets may go up and down (mostly down, so far) but how will the City of London itself be affected by the election outcome? European economic and monetary union is one key issue. By the end of this year the European Community is due to choose the location of the new European Central Bank (ECB). The UK will hold the EC presidency for six months from July, so the decision could be taken at Edinburgh summit in December.

The Labour party is committed to active Emu negotiations; its manifesto says that the ECB's headquarters should be in Britain (though, curiously, not specifically in London). The Liberal Democrats are also positive about Emu. But the Conservative wait-and-see approach is scarcely designed to lure an important community institution.

According to Mr Richard Brealey, a London Business School professor: "Where the central bank is based hardly matters. Where it deals clearly does."

Another significant decision in late 1992 could well concern the choice of a new governor of the Bank of England, to succeed Mr Robin Leigh-Pemberton in July 1993. The Liberal Democrats want to give the Bank independent powers; the other manifestos are muted on this. However, the Maastricht Treaty committed any future British government to start in 1994 the process leading to independence for the Bank.

Mr David Lomax, economic adviser to National Westminster Bank, thinks the Conservatives could turn out to have a much more positive attitude to the EC in the next parliament, given the departure of many leading hardliners.

As for a Labour regime, he argues that it would repudiate the notorious opt-out clause inserted by the Conservative government at Maastricht. "I see Europe as a struggle for power. The opt-out clause is really quite debilitating in that respect for the UK."

Labour's more positive attitude to Europe counts for little in the City compared with its threatened tough tax regime for high-earners. There are fears that foreign financial executives would move overseas if their income-tax rate jumped from 40 to 59 per cent.

It is possible, though, that a Labour chancellor might be willing to make tax concessions to foreigners, as Mr Denis Healey did in the 1970s.

Another damaging tax development might be the retention of ½ per cent stamp duty on share deals, set for abolition when the Stock Exchange Taurus electronic settlement system is running. The shadow Budget retained stamp duty worth almost £800m for 1993-94, but suggested it might still be abolished, albeit a further year late.

Little is said on investor protection in the manifestos, apart from a somewhat surprising Conservative proposal to shift overall responsibility for financial regulation from the Department of Trade and Industry to the Treasury.

In general it is likely that Labour would be more interventionist than the Conservatives have been and might not be so willing for the crises to drag on indefinitely at Lloyd's of London, for example.

Scrapping to scrap the agreement

Breaking Britain's accord with the Irish Republic is a unionist electoral goal. **Tim Coone** reports

On a clear day, Scotland can be seen from the coast of County Antrim in Northern Ireland. Just 15 miles away across the Irish Sea, it is the closest the British mainland comes to Ireland.

The most visually spectacular part of the province, where tourists visit the Giant's Causeway, is the heartland of Paisleyite politics. The Reverend Ian Paisley, a giant of a man himself, champions the cause of maintaining and strengthening the increasingly tenuous union with Britain across that narrow stretch of water.

The manifestos of Paisley's Democratic Unionist party and of the Ulster Unionist party led by James Molyneaux, both set the scrapping of the 1985 Anglo-Irish Agreement as their main electoral goal.

The Unionists see the agreement as a betrayal of the union. Dublin must have no role in Northern Ireland's affairs they say. They are campaigning for a devolved regional assembly, but at the same time want stronger constitutional links with Britain.

Proposals by the nationalist SDLP for Northern Ireland to become a region of a federal Europe, and be considered with the republic for the purposes of EC funding, would lead to eventual rule from Dublin, say the unionists.

Canvassing in pouring rain in his North Antrim constituency town of Ballymena, Paisley flashed his characteristic broad grin at passing drivers who tooted their horns and gave him the thumbs-up.

"We are not against being good neighbours with the Republic, but we are against being taken over. As a region of Europe we would become an annexe to Eire," he said.

But can the Unionists hope to increase their share of the vote on such a platform, with unemployment at 15 per cent in the province and terrorism deterring inward investment?

Hostility to the Anglo-Irish agreement was the main feature of Unionist manifestos in the 1987 election, when their total share of the vote fell by 2.3 percentage points to 54.8 per cent, and the UUP lost the border constituency of South Down to the SDLP.

Demographic trends are working against the Unionists. In the four Belfast constituencies, the number of registered voters has fallen by some 14,000 to 217,000, over the past 10 years. Most are middle and working-class Protestants moving out to new housing estates in the suburbs.

As a UUP party official said: "They are moving to constituencies where the Unionist vote does not need strengthening." He added that "51 per cent of the children in the schools are now Catholic".

The fact that, for the time being, the nationalist vote is split between the SDLP and Sinn Fein, the political wing of the IRA, assures the Unionists of holding on to Fermanagh and South Tyrone, Mid-Ulster and North Belfast. All three could fall in a future election to a combined nationalist vote.

The SDLP last month rejected a move by Sinn Fein to agree a "compromise candidate" to challenge the UUP's Ken Maginnis in Fermanagh and South Tyrone.

The UUP holds nine of the 17 Northern Ireland seats and the DUP three, all with comfortable majorities. In North Down, the DUP is fielding a candidate against Jim Kilfedder, the veteran independent Unionist – the Alliance party and the Conservatives are also standing.

Traditionally, the UUP has been the party of Protestant gentlemen farmers and middle class, while the DUP has attracted working class votes.

Differences between the UUP and DUP "are now mostly over personalities and style", according to Peter Robinson, the DUP deputy leader and the sitting candidate for East Belfast.

The DUP and UUP are confronting each other only in three constituencies where the total Unionist vote is so large that a split could not let in a nationalist. Robinson said these contests were in preparation for elections to a devolved assembly, which both parties expect to take place next year. "People will vote for who is seen to be the better Unionist," he said.

The issue of Europe reveals deeper differences. The DUP is implacably opposed to the Maastricht treaty and moves towards regionalisation and a federal Europe. The UUP is more circumspect. It has a European office at its headquarters in Belfast and its manifesto states "it is prudent to contribute in a positive sense to the various internal debates within the community institutions".

The DUP says it is the only Northern Ireland party that opposes the Delors proposals on European political union and is not part of any political grouping in the European parliament. Paisley says the UUP is allied with the "mainly Roman Catholic" European Christian Democrat block.

Robinson's office is at the Dundonald Ice Bowl, a bowling and ice rink built two years ago with 50 per cent funding from the European Community. The shouts and screams of children playing filter up to his office. "I am quite happy to milk the cow before slitting its throat," he said.

In the event of a hung parliament, both the DUP and UUP say that with the 12 combined seats they can hope to retain, they will not enter into a coalition, but will vote as a block supporting the incoming government for as long as this serves unionist goals. In spite of Labour's manifesto commitment to a united Ireland, both say the Conservatives "have done more damage" to the union, than has Labour when in government.

A hung parliament is possibly the Unionists' last hope to reverse the Anglo-Irish agreement, and place a bulwark against the "Europeanisation" of Northern Ireland.

For the Unionists, taxes, government spending and investment are secondary issues in this campaign. Like the rain which frequently blots out that view to Scotland, such considerations obscure the "real" issue of Ulster's link to Britain. They confidently expect the voters will prove their point.

ELECTION 1992

Lib Dems court key tactical voters

By Ralph Atkins

THE LIBERAL Democrats changed tack in their campaign yesterday and appealed directly to voters in more than 260 seats where the former Alliance parties came second in 1987, mostly to the Conservatives.

The switch away from policy issues marked a recognition that the party's chances of making gains next week depend heavily on mobilising anti-Conservative voters.

Mr Des Wilson, campaign director, avoided talk of "tactical voting". The party is determined to be even-handed and highlight also the seats where they are second to Labour. But they risk upsetting supporters in constituencies not on Mr Wilson's list.

Ironically, the launch coincided with campaigning by Mr Paddy Ashdown, Liberal Democrat leader, in Scotland where the party benefits from the first-past-the-post system. Liberal Democrats are defending 10 Scottish seats and may lose only one or two.

In the vast Inverness constituency, where Liberal Democrat Sir Russell Johnston faces a difficult task fighting off Labour, Mr. Ashdown's visit was overshadowed by Scottish nationalist protesters who out-shouted a rainy walkabout in the shopping centre.

Adding to Mr Ashdown's misfortune, his visit had to be truncated when the closure of Aberdeen airport forced a long coach journey and the cancellations of events there. At a rally in the city Mr Ashdown said: "In nearly half of the constituencies at this election, it is the Liberal Democrats who are the challengers. As we move forward again, it is increasingly the Liberal Democrats who can win."

The Liberal Democrat campaign against the "wasted vote" syndrome reflects frustration about the domination of the campaign by Labour and the Tories.

A party election broadcast today will list 261 constituencies, mostly in southern England, where the Liberal Democrats are the main challengers and refer to three-way marginals where the party might also have a chance. Afterwards the campaign will be focused at a local level in "best prospect" seats.

Mr Wilson quoted a Harris survey in September showing 47 per cent of voters would back Liberal Democrats if the party had a chance of winning.

In Aberdeen, Mr Ashdown said a sign of the growing Liberal Democrat success was "the sign of the growing panic of the other two parties". At his London press conference earlier Mr Ashdown had said: "There is something different happening out there."

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Lang is caught in the crossfire

By James Buxton, Scottish Correspondent

WHEN Ian Lang, the Scottish secretary, embarked a few months ago on an election strategy aimed at splitting the Labour vote in Scotland, he was always the most likely person to be shot down in the crossfire.

Yesterday's opinion poll in his own Galloway constituency, putting him seven points behind his Scottish National party opponent, gave the first detailed evidence that this may indeed be the case.

It was a sign that April 9 could be a catastrophe for the Scottish Tories to match the one in June 1987, when they lost 11 seats. Two other Tories fighting strong challenges from the SNP in rural constituencies could also be doomed: Mr Bill Walker, with a majority of 5,000 in Tayside North, and Sir Nicholas Fairbairn with 5,600 in Perth and Kinross.

With Labour snapping at the Tories' heels in Ayr and Stirling, the Scottish Conservatives could lose five of the nine seats they still hold in Scotland, which elects 72 MPs.

Mr Lang had to try to make the best of the Tories' wretched hand in campaigning for the party in Scotland. He knew many Scots simply wanted to get the Conservatives out after 13 years in which they have ruled Scotland with a dwindling minority of MPs. The Tories had ignored majority Scottish opinion on most issues, imposed the poll tax a year earlier than south of the border and became seen as the English party, especially because of their rejection of a devolved Scottish parliament.

Mr Lang, who has not been an inspiring secretary of state, realised it was too late for any plausible last-minute conversion to devolution – which anyway was anathema to half his party. He gambled that by presenting the constitutional debate as a straight choice between the status quo and independence he would split the anti-Tory vote, as well as rally support for the union.

For weeks up to the election was called he said little against the SNP but rubbished Labour and its plan for a devolved parliament. Since then the Tories have attacked all parties.

So far the balance sheet contains more red ink than black. The SNP has about 27 per cent support in Scottish polls, at which it can win the three Tory rural seats – including Mr Lang's – but not make big gains from Labour. Support for the union has not moved decisively upwards, and backing for the Tory party has been static at about 22 per cent.

Yet gloom is not universal. "My campaign is going excellently," said Mr Struan Stevenson, the Tory candidate for Edinburgh South who is fighting to overturn Mr Nigel Griffiths' 1,800 majority for Labour in 1987. He says Mr Neil Kinnock has replaced Mrs Margaret Thatcher as a hate figure; the Liberal Democrats, who as the Alliance won 22 per cent of the vote last time, have collapsed; and the SNP is making inroads into Labour's vote among young people in the housing schemes.

In Stirling, Mr Michael Forsyth, the Scottish education minister and a strong Thatcherite, is defending a majority of 548. His campaign is "running on oiled wheels", according to a senior party official. He is relying on the SNP taking votes from Labour.

With the Liberal Democrats doing poorly in the Scottish opinion polls (two polls have put support for them at below 10 per cent) some Tories believe they can unseat Mr Menzies Campbell in Fife North East (majority 1,447).

"It's incredibly difficult to predict any of the results where we stand to win," says a senior party figure, "because each is a four-horse race in a marginal. But you're making a mistake if you think only in terms of the seats we will probably lose."

But while Mr Stevenson says he had volunteers turning up in their wellies at 7.30am yesterday to canvass in the rain, a bleak picture comes from a Tory worker in a Labour safe seat in industrial Fife.

"Usually in elections people swarm in offering to help," she says. "This time they're just not interested. We haven't got enough people for canvassing, we just mail out leaflets. Our appeal for contributions to our fighting fund produced virtually nothing, even from companies. It's terribly depressing."

Galloway turns its back on the south

By Bethan Hutton

MR IAN LANG, the Scottish secretary, is discovering that success at the highest level of politics is not always an asset in the fight to keep a seat in parliament.

Mr Lang won Galloway and Upper Nithsdale, in south-west Scotland, from the Scottish National party in 1979 and became Scottish secretary in 1990. Now many of his constituents seem to have decided they would be better off with an MP who was somewhat less preoccupied with high office.

There has been speculation throughout the campaign that Galloway would return to the SNP, and there was confirmation of Mr Lang's vulnerability in a System 3 poll published in yesterday's Herald newspaper.

The poll showed SNP support at 40 per cent in the constituency, with Mr Lang on 33 per cent and supporters of other parties prepared to vote tactically against him. He stands to lose a seat where he had a 3,600 majority in 1987.

In the constituency yesterday, some were speculating openly about what title Mr Lang would be given in the House of Lords.

But Mr Lang was putting a brave face on the poll finding. He said his canvassers had found the Conservative vote holding up well, with no sign of being overtaken by the SNP, and he dismissed the poll as an "unrepresentative snapshot".

He has twice turned down invitations to take part in a public debate with his rivals for the seat. His rivals say this is a sign that he is worried.

Climbing through the ranks of government has left Mr Lang little time to cultivate his vast constituency, which has few large centres of population. It is both geographically and economically diverse, with the port of Stranraer to the west of the mountainous centre, and the former mining town of Sanquhar, which has the highest level of unemployment in Scotland, to the north-east.

It is difficult to keep a high profile in such a large area, but critics say that Mr Lang has not tried hard enough. He claims to have spent an average of one and a half days in each fortnight in the constituency.

The amount of time he has spent in the seat has increased during the campaign, but it could be too late to convince voters of his merits as a constituency MP.

"He doesn't seem to have done much for us – he's too busy down in Westminster," one voter said yesterday.

This is a view which canvassers say has been echoed many times on the doorsteps.

Farmers in particular, the backbone of the local economy, say they have lacked a strong voice for their needs in negotiations over European Community policy.

The SNP says that an independent Scotland would be better-placed to put its case in the EC.

But it may not be questions of policy which lie behind the upsurge in support for the SNP – the issue has become Mr Lang himself.

Brown steps up attack on economy

By David Owen

LABOUR yesterday stepped up its attack on the government's economic record in London and the south-east, claiming that for the first time in years more companies were going under than were being formed.

Mr Gordon Brown, shadow trade and industry secretary, unveiled figures which he said showed that company deregistrations in Britain were running at a faster rate than last year. He said the figures undermined the government's contention that more companies were being formed than were going out of business.

As the fight for crucial marginal seats in the capital heated up, the Conservatives kept up the offensive over Labour's tax plans, saying they would hit Londoners hardest.

Labour's policies on high salaries, combined with big mortgages in the capital, would leave Londoners worse-off than people elsewhere in the country, Mr Michael Heseltine, environment secretary, said.

Campaigning in marginal Dulwich, Mr Heseltine later referred to "a mounting mood of optimism on the streets".

The figures revealed by Mr Brown showed that more than 20,000 companies had deregistered in the first two months of this year, compared with 105,000 in the whole of 1990 and 110,000 last year.

No month-by-month breakdown was provided for the preceding years, but Mr Brown said the figures – which he said came from Companies House – suggested "an annual rate of at least 120,000". This made "the scale of company failures even greater than the figures so far published".

Mr Bryan Gould, shadow environment secretary, described London and the south-east as "the region of the country where this is happening at the greatest rate".

Conservative Central Office said the latest deregistration figures should be seen in the context of the "huge numbers" of businesses created in the last 13 years.

Labour also set out an agenda for tackling the capital's recession, incorporating a London Development Agency, a technology trust and a regional exports service.

Mr Brown said this would be targeted particularly at small businesses. The party would bring together the "often discordant" national export services offered by the Foreign Office, the Overseas Trade Board and the Department of Trade and Industry.

'Yes, it has all changed since we opted out'

THE ISSUES: ARTS

Tory manifesto measures steal the show

IN HIS campaign for the US presidency Pat Buchanan has spent lavishly on advertisments condemning President George Bush's "permissive" attitude towards the arts and promising to ensure that the National Endowment for the Arts, the US equivalent of the Arts Council, was "shut down, padlocked and fumigated".

No such outbursts are likely to enliven the British election campaign. It is generally agreed that there are few votes in the arts.

The party taking the arts most seriously is, surprisingly, the Conservatives, which features the arts prominently in its manifesto and proposes quite dramatic changes. Labour, traditionally the more vociferous champion of the arts has few radical proposals.

In recent years the Conservatives have stolen much of Labour's programme; awarding increases in annual subsidies ahead of inflation, and trimming the Arts Council while encouraging devolution of decisions over specific funding projects to regional arts boards.

It now proposes a cabinet place for a minister covering the arts, broadcasting, heritage, tourism and sport.

The ministry will enjoy around £200m of the revenues from a national lottery. This money would be devoted mainly to capital costs – shoring up cathedrals, theatres and museums and projects like building a national dance house, to mark the millennium.

The Tories also plan to trim the arts bureaucracy. The role of the Arts Council will be re-examined. It might be left to act as a think-tank for the arts. Given recent reductions in its funding powers its future cannot be guaranteed; it might be allowed to maintain the hallowed "arms-length" funding principle by which it sets the grants for the big national companies like the Royal Opera House and National Theatre or these companies could be subsidised directly by the government.

Against this barrage of proposed change Labour's plans look, well, conservative. It has little new to say about the Arts Council, which it also sees mainly as a propaganda body for the arts. It is hesitating over a lottery, saying it does not want to undermine the football pools companies; and it is stepping gingerly over its old plan to merge ministerial responsibility for broadcasting with that for the arts.

Labour hopes to increase expenditure on the arts by raising more tax revenue from commercial interests that exploit the arts, like the record and video industries, and by forcing local authorities to spend a set percentage of their revenue on arts projects.

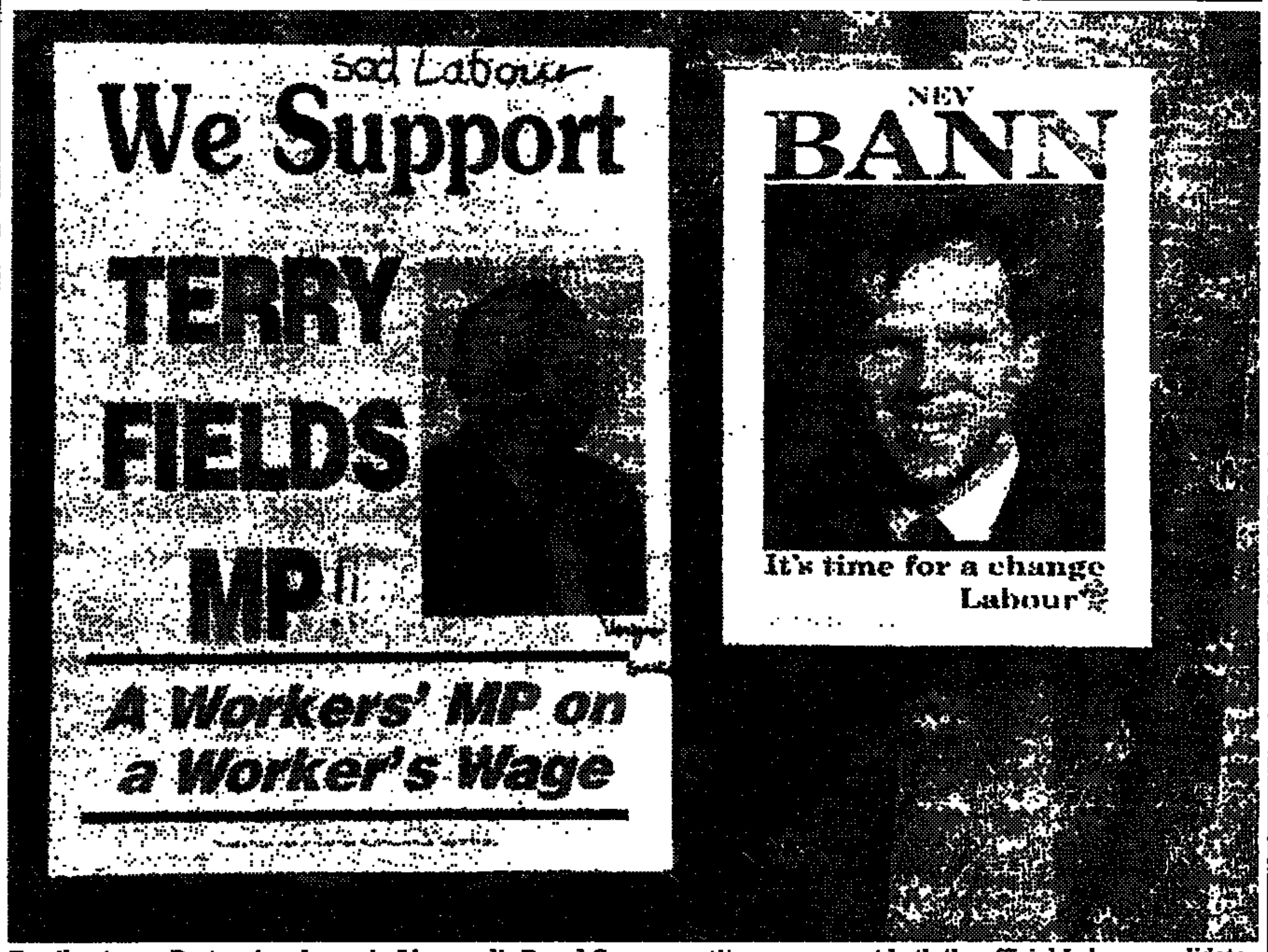
The Liberal Democrats plump for continuity and change, maintaining the Arts Council, in deference to the arms-length principle, and guaranteeing BBC licence-fee funding, but also wanting cabinet status for the arts minister and higher national spending.

The manifestos are more interesting for what they leave out. On the heritage side, no party has a sensible answer to the increasing loss of important art treasures abroad because of weak export controls and inadequate museum funding.

The only obvious source of new money for the arts is the lottery but already there are too many supplicants for its theoretical bounty, too many fears that if it does happen direct government funding will be reduced in line.

Like much else, the future for the arts depends less on political promises than on an economic recovery.

Antony Thorncroft



Family at war: Posters in a house in Liverpool's Broad Green constituency support both the official Labour candidate and Terry Fields, who was expelled from the party for alleged Militant links, and defends the seat as an independent

Opposition buoyed in Southampton

By David Marsh

SOUTHAMPTON's Labour supporters yesterday displayed quiet jubilation over an opinion poll giving the party a seven-point lead in one of the city's two seats.

The two Tory MPs in the south-coast marginals, though clearly thrown on to the defensive, derided the survey as "maverick" and out of step with reality.

Mr Alan Whitehead, the ambitious leader of the city's Labour-controlled council, who is fighting in the Southampton Test constituency, said the city was "like another planet" compared with the 1983 and 1987 elections. Mr Whitehead stood and lost in both those battles. "Now, we're confident of winning," he says.

Evidence of a swing to Labour – given 45 per cent of the vote in Test against 38 per cent for the Tories in an ICM poll for Today newspaper – was supported by a sampling of street opinion yesterday.

Five out of 10 people in Shirley High Street, a residential area of Southampton, said they would vote Labour, including two who backed the Tories last time. Three declared Conservative allegiances, with one opting for the Liberal Democrats and one undecided.

A young mother pushing her baby said her high mortgage payments would make her vote Labour. A matronly volunteer in an Oxfam shop supported the Tories because of fears about a Labour government. "I'm not very happy with either of them," she confided.

An unemployed youngster starting a training course, opted for Labour "because the Tories have demolished the country".

Such defeatism was dismissed yesterday by Mr James Hill, the veteran Conservative MP for Test, defending a 6,954 majority. To capture Test and the twin constituency of Itchen, Labour will need a 7 per cent swing.

Mr Hill said the poll would make his supporters try harder. A Labour government would cause a run on the pound and have to be bailed out by the International Monetary Fund. Comparing Labour with a "blusterer" bragging about his driving prowess, Mr Hill said it might be salutary for Mr Neil Kinnock to have "a turn at the wheel".

Mr Christopher Chope, the Conservative incumbent in Itchen with a 6,716 majority, refused to think the unthinkable. Support was holding up well, he said.

Mr Chope said he had even taken his campaign to London's Wembley Stadium at the weekend to see Southampton play Nottingham Forest in the Zenith Data Systems Cup Final.

Furiously plugging the anti-Labour line, he said Mr Kinnock, if elected, would kow-tow to the unions. "His paymasters will be wanting a pay-back," he declared.

This was not, Mr Chope admitted while shaking hands with mothers at a local school yesterday, an election where there was much to be positive about.

Searching for clues in a microcosm

Richard Tomkins visits Bristol, where the electorate mirrors the nation as a whole

BRISTOL, capital of south-west England, holds a peculiar fascination for psephologists. With roughly the same socio-economic breakdown as that of Britain as a whole, it represents the nation in microcosm.

The slave trade, tobacco, aerospace and defence in turn brought prosperity. The late 1980s brought an influx of service-sector businesses lured from London by an attractive environment, low costs and easy access along the M4.

For a while, Bristol looked as though it had become an honorary member of the south-east. By 1983 the Conservatives had four of the city's five seats, and in 1987 they defied the national trend by increasing their share of the vote.

Today, Bristol could be ripe for a Labour comeback. Indeed, if Labour is to stand any chance of triumphing in the election it must do well here.

Bristol prospered in the 1980s. Its defence industry, led by companies such as Rolls-Royce and British Aerospace, were resilient to the last recession. When it ended, the service sector fed the city's growth. Now the city is suffering. A shake-out in financial services has coincided with defence cuts. British Aerospace and Rolls-Royce alone have shed 2,000 jobs, and unemployment has shot up from 5.9 per cent to 9.3 per cent over the last year.

Labour's chances of electoral recovery rest on the fact that it can look to a sizable bedrock of support. Bristol retains a sizable manufacturing base, a large working class and a Labour city council.

But Labour has a fight on its hands. It is not helped by vestiges of the wrangle for power between the party's own left and right. The Kinnockites won the upper hand in the local party, but businessmen still speak with frustration of the council's alleged anti-business stance, and Labour's one MP in the city, Dawn Primarolo, is a leftwinger.

Ms Primarolo has not endeared herself to the moderate vote by refusing to pay her poll tax until served with a liability order. But her Bristol South seat is a solid working-class constituency, and the fact that she clung to it amid Labour's poor local performance in 1987 suggests she can only do better this time.

Winning Tory seats is another matter. One that will not go Labour's way is William Waldegrave's Bristol West. Although it includes St Paul's, scene of the notorious 1981 riots, it is dominated by the elegant terraces of Clifton and the leafy suburbs of Henleaze and Stoke Bishop, and has never voted anything but Tory.

Labour has two easier targets. Bristol East, a mixed bag but broadly working class, was captured from Tony Benn by Jonathan Sayeed in 1983 and swung further to the Tories in 1987 when Labour fielded left-winger Ron Thomas. This time Jean Corston, a model of Kinnockite orthodoxy, needs only a 4.1 per cent swing to take it back.

An even smaller swing – 3.8 per cent – is needed to retrieve Kingswood. This constituency on Bristol's eastern fringe includes just the sort of owner-occupying skilled workers that Labour needs to win over. The catch is that the sitting Tory, Robert Hayward, is a strong constituency man who commands a personal vote.

The biggest challenge is Bristol North-West. A classic marginal, it has been won six out of seven times in the past 25 years by the party that has won the election. Socio-economically mixed, it takes in the Rolls-Royce and BAe plants at Filton, and skilled workers make up a significant proportion of its electorate.

These might just turn the vote against Michael Stern, the somewhat colourless Conservative incumbent. Many upwardly mobile families moved out of inner-city terraced houses into the vast Bradley Stoke estate on the constituency's northern periphery. Heavily mortgaged, they have seen the value of their property slump. Some have lost their jobs as well.

Robert Fisher, 29, should have been an archetypal Conservative voter. A fire-protection engineer, he says he is working class, but ambitious. He moved from Bristol to Canada in 1988 to get a better job and two years later moved back to a new home in Bradley Stoke for the same reason.

Last year he was poached by a company offering him a career path into management. The move backfired. Within months he was made redundant. Once in demand, he has been unable to find a job in his field within 100 miles. He and his family – his Canadian wife Christine and nine-month-old daughter Sarah – receive barely enough in income support to pay the mortgage.

It is not for want of trying for other jobs. "I applied to be a shelf-stacker at Asda," he says. "There were 35 vacancies, but 1,600 to 2,000 people applied. I didn't get the job: they said I was over-qualified."

Labour needs a swing of 6 per cent to win Bristol North-West. Robert Fisher says he is going to vote Labour: if there are enough like him Neil Kinnock could be the next prime minister.


Colin Beere

Key voter: Robert Fisher at home with his wife and daughter

ELECTION 1992

Labour details education plans

By Ivo Dawnay, Political Correspondent

LABOUR BROUGHT education under the election spotlight yesterday by spelling out how it would allocate £600m in extra funding for schools and colleges.

At a national news conference held at Salford University, Mr Neil Kinnock said policies, such as assisted places schemes, had created a two-tier system that "mocks the idea of the classless society that the Conservatives say they want."

Labour would raise investment in schools. "It's time to get back to basics – more qualified teachers, new books, better buildings," he said.

Mr Kenneth Clarke, education secretary, dismissed the extra cash, arguing that it was no guarantee of raising standards. He said the £600m boost promised compared with the £4.8bn extra spent by the Conservatives in the two years he had been education secretary.

Setting out Labour's additional spending programme, Mr Jack Straw, the education spokesman, said £448m of the £600m put aside in the shadow Budget for the next 22 months had been allocated to England.

The remaining £152m would go to Scotland, Northern Ireland and Wales, and also included an undisclosed figure for contingencies.

He detailed the programmes set to benefit from the new funding as follows:

- school repairs, attracting the largest sum of £130m for capital spending, plus £30m to eliminate outdoor lavatories;
- a further £120m for new school books, calculated at £10 per pupil, almost doubling the existing allocation;
- new classroom equipment for older children at a cost of £40m;
- £20m each for cutting the size of larger classes, a national reading standards programme and the creation of student housing and hardship funds;
- a further £10m on hiring "mentors" to advise new teachers in their first years at work;
- an already announced £68m childcare programme, also funded from the Budget windfall.

The education manifesto, entitled "It's Time to Modernise Our Schools", reiterates Labour's commitment to provide nursery education for all 3- or 4-year-olds, whose parents want it, by the year 2000.

It also pledges to switch £50m in funding allocated to the government's City Technology Colleges into the nursery system.

Mr Straw said Labour would "steadily increase" investment in education.

Joe Rogaly

Ready for the worst

If last night's polls are right, Mr Neil Kinnock's Labour party is on the way to becoming the undisputed winner on Friday week. A single set of polls in mid-campaign is not, however, conclusive, especially on All Fools day.

Yet the election is beginning to run to a pattern, deadly for the Tories. They started with a poor hand and have played it badly. They chose the deepest point of a long recession as voting day and ran a campaign that is the second-worst since Mr Michael Foot's disastrous circus of 1983. On last night's figures, it looks as if only a huge mistake by Labour, or an unpredictable mind-changing event can save them now.

We paid-up members of the Hang Parliament party are prepared for the worst. For the one prospect we have all along regarded with about as much foreboding as an overall majority under the control of Mr Neil Kinnock is a renewed overall majority under Mr John Major. Both have done their utmost to bamboozle the electorate. Mr Kinnock pretends that there is such a thing as an egalitarian health system to be had for a mere £1bn plus a statement of good intentions; Mr Major that pinning name badges on the lapels of civil servants elevates subjects to the status of citizens.

The former prevaricates when he presents a manifesto that seems to promise, yet does not guarantee, steadily increasing public expenditure. The latter stretches the boundaries of honest discourse when he talks of annual tax cuts but says he cannot be certain that they will be deliverable every year. Both know that we can afford neither reduced taxation nor additional spending. Mr Kinnock wriggles his way around this by intimating that Labour will stimulate highly unlikely rates of growth; Mr Major does likewise for the Conservatives.

I leave aside Mr Paddy Ashdown, for there is no chance of his Liberal Democrats winning any kind of a majority. He is running for the coveted post of elected dictator, but he is certain to come third. That is a blessing. What Hang Parliament supporters dream of is new parties and coalition government.

Such a thing is alien to the British parliamentary tradition. That is why, attractive as it may be, genuine electoral reform for the commons is likely to be resisted by both the larger parties, albeit with greater determination by the Conservatives than by Labour. It is mere wishful thinking to regard a hung parliament as the inevitable precursor of constitutional reform.

The Commons comes alive when you have to count probable votes

Such a parliament would nevertheless be better than one put back to sleep by another overall majority. The House of Commons comes alive when administrations have to trouble themselves to count probable votes for every bill they invent. After 1987 the Tories had a majority of 100-plus. Power went to their heads. They forced the poll tax through. It was nearly emasculated by a backbench revolt. Had there been a hung parliament the attempt might never have been made.

Next time it could be different. Absent a Labour landslide, the smaller parties might separate the big two. The assorted Celtic nationalists might account for between 25 and 30 seats; the Liberal Democrats for as many again. The likely performance of Mr Ashdown's candidates is, however, one of the more unpredictable factors in this election campaign.

On the bare figures they could lose half a dozen or more of their current total of 22 seats. Our FT poll-of-polls program tracks the moving average of the six most recent polls. The result is weighted by sample size. Six months ago the Liberal Democrats stood at fractionally under 14 per cent; now they are at 18½ per cent. This is an impressive performance for a party that had crumbled barely three years ago, but it is 4 percentage points below the 1987 performance of the then Alliance. Even if you include the most recent polls showing 19 per cent and 20 per cent there are still three points to go.

The conventional wisdom has it that simple arithmetic will not accurately predict the number of Liberal Democrat seats. They are adept at hanging on to constituencies where they are already incumbent. They may make some gains, particularly around Devon and Cornwall. If there is a general anti-Tory feeling in the country, tactical voters will favour Mr Ashdown's candidates where they stand the best chance of toppling a sitting Conservative. So they might improve on their present 22.

There is a contrary supposition. This is that most of the increase in Liberal Democrat support represents disgruntled Tories registering a protest. There is some evidence for this in recent polls, which show Labour holding steady while the Conservatives fall back and the Liberal Democrats rise. Such ex-Conservative voters may scuttle back home if Labour looks like forming a government. This is what happened in certain key constituencies, including Mr Ashdown's, after "wobbly Thursday" in 1987.

In 1992 Conservatives cannot bank on such a phenomenon. They can only hope that Mr Major's recent return to gutsy street-fighting is working. No, I don't believe it either.

THE ISSUES: PERSONAL FINANCE

Tax looms large in sea views

TAX is one of the central planks of the Conservatives' campaign. Judging by the savers and investors of Worthing, a south-coast resort where a high proportion of residents live off retirement income, the issue strikes home with the Tories' core supporters.

The private investors of the quiet streets and seaside views of the West Sussex town, where the Conservative Mr Terence Higgins is defending a 18,500 majority, stand fairly solidly behind Mr John Major.

Labour's policy shifts have not impressed them. On the basis of Mr John Smith's alternative Budget, few would be worse off and some would gain from the pensions increase. One has to be very wealthy to enjoy investment income of more than £40,000 a year – the rate at which Labour's 50 per cent tax would apply – and retired people would not be hit by abolition of the £405 per week National Insurance ceiling. Labour has also dropped a planned 9 per cent surcharge on investment income.

Nevertheless, the general belief is that whatever Labour says now, it would significantly raise taxes for everyone when in office. Mr Cecil Thriscutt, a residential landlord, says: "John Smith puts his case over better than Lamont but there is the shadow of previous Labour treatment of high income tax and interest rates."

Mr Frank O'Mahony, a retired headmaster, says: "I go by past records and I remember Labour's 83 per cent tax rate. They will wear their old spots once they are in power."

According to Mr Patrick Warren-Gash, a former coffee planter in Kenya: "When Labour gets in and read the books, they will change their tune."

Memories of the 1974-79 Labour government are strong. "The record proves that they cannot keep inflation down," says Mr Kenneth Finney, a former telecommunications executive.

Mr Neil Kinnock is particularly unpopular. "I don't trust him," says Mr John Cameron, a retired civil servant. "He's made more twists and turns than Torvill and Dean."

Part of Labour's problem may be that its case does not get through. In spite of repeated denials that it will reduce the capital gains tax threshold to £1,000, Tory-supporting newspapers and one of the country's largest financial-adviser groups, Noble Lowndes, were last weekend describing this as Labour policy. Capital gains tax, which was only paid by 165,000 people last year, is probably not an important issue. But Mr Major seems to have struck a chord with his plans to reduce the inheritance tax burden. Mr Thriscutt says: "When you've worked hard and want to leave your property to your family, it's a bit galling when the government takes a huge chunk away."

On inheritance tax, Labour has indicated that it would like to move to a recipient-based levy, but the party has not spelled out its plans.

The various tax shelters the Conservatives have introduced, such as Peps (personal equity plans) and Tessas (tax-exempt special savings accounts) did not seem to arouse much enthusiasm in Worthing. Investors were aware of the opportunities to save tax, but many cautiously kept their funds in property or building societies.

"I regret that financial products have become too complex for the average person," says Mr John Simons, who invested in bedsit properties after a long career in agricultural research.

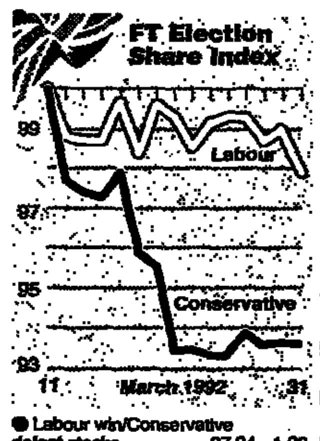
Labour's plans on these issues have at times lacked clarity. Ms Mo Mowlam, one of the party's Treasury team, said last year: "We would not continue the tax relief to Peps." But another of the team, Mr Chris Smith, said earlier this year: "We don't have any intention of sweeping them [Peps] away." Instead, Labour might create an expanded version of the Pep, with bonds and cash products included.

It would be wrong to say support for the Tories among savers in Worthing is unanimous. Mr John Hamill, a retired tax expert with advisers Wilfred T. Fry, was planning to vote Labour because he would not mind paying one or two pence in the pound for improved public services. Mrs Jean Cameron, a former secretary, was inclined to vote Liberal Democrat because of the party's education plans.

Mr Chris Dale, a management consultant, described himself as a floating voter, saying that neither party had policies to encourage the growth of manufacturing industry along the lines followed by Japan's Ministry of International Trade and Industry.

But for many Worthing savers support for the Tories is a tribal loyalty, best summed up by Mr Finney. "The Conservatives look after the middle classes."

Philip Coggan



- Labour win/Conservative defeat stocks..........97.94 - 1.06
- Conservative win/ Labour defeat stocks......93.38 - 0.25
- FT-SE (rebased).........96.79 - 0.52

SHARES that might benefit from a Labour victory suffered one of their steepest drops of the campaign as the "Labour gainers" section of the index slid a full point. Eight of the 10 shares fell and two were unchanged.

"Conservative gainers" did less badly, dropping by only a ¼ of a point – a decline that was only half that suffered by the FT-SE index.

The FT Election Share index is based on closing prices on March 11, the day the election was called. Since then Labour gainers have dropped by 2 points, and Conservative gainers by 6½ points.

Colin Beere

Shelter shunned: Peps, Tessas and other tax shelters introduced by the Tories arouse little enthusiasm in Worthing

Short-head wins for Derby day

Richard Donkin reports on the battle for seats in Derbyshire

NEXT door to the Tea Cosy tea rooms in the Derbyshire village of Codnor the Tory campaign headquarters for Amber Valley is preparing for another day on the stump. A Volkswagen van with two wooden garden seats bolted to the floor has been loaned as a "battlebus".

Portraits of Winston Churchill, Margaret Thatcher and John Major stare down upon the party machine – a schoolboy taking time out of lessons, a few stalwarts and a mongrel dog called Vom. His full name is Vomit and he belongs to Phillip Oppenheim who has been the sitting MP since 1983.

A few miles away the process is being repeated as another group of campaigners marches out of the Labour Party office in Ripley. The groups look much the same. Only the candidates differ in the their dress; one wearing jeans, the other dressed quite stiffly in a buff-coloured military overcoat.

It's the sort of coat that would get you past the doorman at the Carlton Club, and John Cooper, the Labour candidate, is rather proud of it. Tories can own mongrels and socialists can jut out their chins in Mr Major's classless society. Cooper, 33, is a barrister, playwright, and a product of comprehensive education. Oppenheim, the 37-year-old son of Baroness Oppenheim-Barnes, former minister for consumer affairs, comes from a long line of steel barons. He went to Harrow.

The seat is one of a clutch of Derbyshire Tory marginals that could tumble if Labour's bandwagon is strong enough to effect an 8 per cent swing – the sort of percentage it would need for an overall majority.

Such a swing could also dethrone Edwina Curry in Derbyshire South and would almost certainly unseat Greg Knight in Derby North. John Beadle, Labour's veteran election agent for Derby North and Derby South (where Margaret Beckett, the shadow chief secretary to the Treasury, has a 3.5 per cent majority) has spelled out the importance of Derby: "We will not get a Labour government without Labour MPs from Derby North and South."

To give Labour an overall majority at Westminster it must look a little further north to the Erewash, High Peak and Amber Valley constituencies, which all require a swing on around 9 per cent. The closeness of the race suggests High Peak and Erewash may be beyond Labour. But Oppenheim in Amber Valley is perhaps the most vulnerable of all the Conservative MPs in the Derbyshire marginals, in spite of his larger majority.

He, more than any of the Derbyshire Tory candidates has enjoyed the benefits of a peculiarly Derbyshire phenomenon in the last two elections. It's called the Bookbinder factor and it is fast fading away.

David Bookbinder, the man Mrs Thatcher described as her least favourite local government leader, stood down as head of Derbyshire County Council at the weekend, triggering a Tory wake and a huge sigh of relief from Labour activists as soon as they had mourned his passing. For years the Matlock-based council had waved a red rag at the Tories, starving police of resources, subsidising school dinners and closing branch libraries when faced with caps on spending.

A local freesheet newspaper waged a relentless campaign against him and the taunts struck home.

In a seat which Oppenheim never expected to take, he defeated Bookbinder in 1983 and increased his majority when he faced him again in 1987.

This time he faces a confident and purposeful candidate in Cooper, who could take the seat on a much smaller national swing to Labour. It makes Amber Valley perhaps the most vulnerable of the Derbyshire seats held by the Conservatives.

Its neighbour, Erewash, would need a slightly smaller swing to go to Labour. But Sean Stafford, the Labour candidate, is fighting with the handicap of being the deputy leader of the county council and with a pending court appearance on charges of making false expenses claims and perverting the course of justice.

And how safe is Currie in Derbyshire South? Again on paper it would take an 8 per cent swing to Labour for her to lose. But demographic changes in her constituency and Tory successes in the last local government elections within her seat should ensure she gets back.

Voters stay by the box

Here, perhaps, is one of the biggest electoral surprises of the lot. Voters are far from bored by the television coverage and are not switching off.

The newly available BARB figures for the first full week of the campaign show modestly increased audiences for some news bulletins, while current-affairs programmes are holding on to respectable audiences.

The biggest increases are for news bulletins at lunch and teatime. The BBC's One O'Clock News had an average audience of 4.3m, compared with the 1991 average of 3.8m. ITN's 12.30 news held steady at 2.4m. The BBC's Six O'Clock News was marginally up – 7.6m versus 7.4m – but ITN's News at 5.40 rose from a 5.6m average to 6.2m.

Viewers' patience for politics, however, seems to flag a bit as the evening wears on. The BBC's Nine O'Clock News – very much the flagship – is down from 7.2m last year to 6.4m, and ITN News at Ten is down significantly more – from 6.7m to 5.3m. Newsnight and Channel 4 are holding their own around the 1m mark.

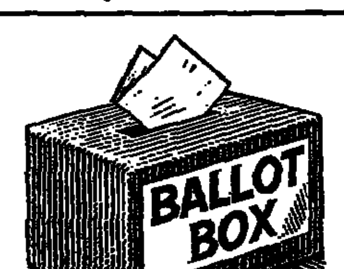
In the battle between the BBC and ITV, it looks at present like a hung BARB, with the BBC perhaps slightly in front.

Lawyers galore

No fewer than 160 lawyers are standing for parliament this time round – surely a record no other profession can match. As has traditionally been the case, "M'learn'd friends" outnumber "Messrs Inter Alia". There are 91 barristers standing (61 Tories, 20 Labour and 10 Lib Dems), compared with 69 solicitors (42 Tories, 14 Lib Dems, 11 Labour and 2 Plaid Cymru).

Why so many? The Bar has always been regarded as a sound platform for a career in politics – largely it seems because the courts rise at 4.30pm, allowing just enough time for the aspiring politician to nip down from the Temple to Westminster for important debates. Advocacy in one place goes with advocacy in another.

It is less obvious why so many solicitors are attracted. Still, the Law Society, which spent most of the last parliament in conflict with the government, is taking full advantage. It has produced a 46-page election special covering a range of issues from legal-aid pay to the role of solicitors in developing legislation. Prospective legal parliamentary candidates are expected to take them up.



Falling odds

It's been a long wait for the man who had a bet on next Thursday's big race nearly three years ago. Patience, however, can be rewarded; he wagered £40,000 to win £110,000 that Labour would gain the most seats.

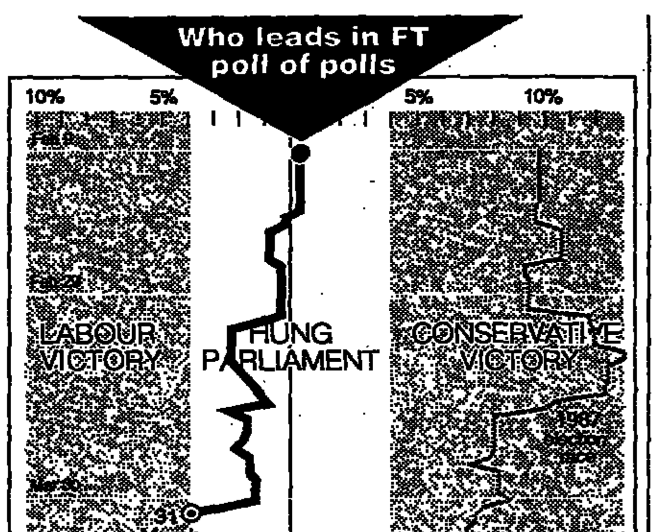
Walk into any bookmaker today with £40,000 to place on the same bet and you would collect not much more than £13,000. Victor Chandler, the bookmaker which laid the bet in June 1989, will not disclose the client's name, saying only that he is "a leading entrepreneur". Yet whoever he is, his winnings will be nothing like a political record. Ahead of the 1964 election, Sir Maxwell Joseph, founder of Grand Metropolitan, placed a bet of £50,000 – that is not far short £500,000 today – on a not unexpected Labour victory. He collected more than £32,000.

Achtung!

Labour is turning increasingly Germanic in its use of language, using compound nouns rather than normal English. It has long been on about "opportunity Britain" and "poverty pay". Yesterday Gordon Brown, one of the chief offenders, added to the repertoire. The shadow secretary for trade and industry described John Major as an "unemployment prime minister" and claimed that on April 9 the government faces a "recession reckoning". No doubt this is part of Brown's Fuehrerprinzip.

Old times

Has the loony left re-appeared in London, or is the capital's sole evening paper getting desperate? The headline on the Evening Standard's main story yesterday read: "How can they do this to a child? Left-wing council puts boy in care of lesbian with criminal record – Exclusive."



Last night's FT forecast	Latest opinion poll	Betting odds	Futures trading
Conservative [illegible] seats	[illegible]	[illegible]	[illegible]
Labour 328 seats	41%	4/7	383
[illegible] 22 seats	[illegible]	[illegible]	[illegible]
	(ICM/Guardian)	Ladbrokes	Dealing on the [illegible]
[illegible]	[illegible]	[illegible]	[illegible]
			(IG Index mid-prices)

* Weighted average of six most recent opinion polls computed daily. Does not include telephone polls, panel polls and those that omit sample size or field dates. The graph compares the parties' leads at similar points in the last campaign. The middle line marks level-pegging. If the black line moves left, Labour leads. The Tories lead if it goes to the right.

Poll shows Patten could lose Bath seat

By Gareth Smyth

LOCAL polls published yesterday suggested that Mr Chris Patten, Conservative party chairman, may lose Bath to the Liberal Democrats and that Labour is set to capture marginal Birmingham Northfield from the Tories.

A poll by Bath University gave Mr Patten 39.5 per cent, 1 point behind the his Liberal Democrat challenger Mr Don Foster. Fieldwork was conducted between Wednesday and Saturday, with a sample of 871. The university has quoted a 3.5 per cent margin of error.

A survey by Quality Fieldwork for the Birmingham Evening Mail showed Labour with 55 per cent of the Northfield vote, the Tories on 33 per cent and Liberal Democrats on 11 per cent.

These figures on April 9 would represent a 14 per cent swing since 1987.

Mr Patten may draw comfort from the experience of the 1987 opinion polls in marginal seats.

Mr Robert Waller, of the Harris polling organisation, said 13 of 78 polls in 52 constituencies named the wrong winner, and 24 gave figures that were five or more percentage points awry for at least two parties.

The final polls taken for Channel 4 News and broadcast the day before polling, suggested that the Liberal Democrats were ahead in Cheltenham and Labour comfortably ahead in Calder Valley – all six polls during the campaign put Labour in the lead in Calder Valley.

The Conservatives won both.

- A Mori poll sponsored by electronics company Hewlett-Packard found that 59 per cent of computer executives would vote Tory, 23 per cent Liberal Democrat and 15 per cent Labour.

But only about 40 per cent of the 200 executives with responsibility for information technology questioned were satisfied with the way the country was being run.

They believed the government had a poor record on research funding, encouragement of IT companies and investment in training.

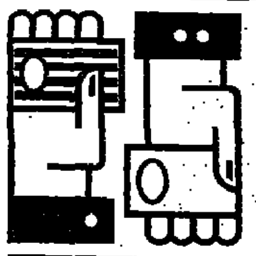
FINANCIAL TIMES SURVEY

FACTORING

PAGE 2: UK beginners' tough luck; role in export trade; Mr Lamont and late payers

PAGE 3: US shows a gleam of hope: scandal shakes up the Italians; Japanese catch on

Wednesday April 1 1992



Factoring companies, whose function is to speed the cash flow of other businesses, are as vulnerable to the recession as many of their customers. But while factoring has flagged in some countries, other markets have shown surprising growth, writes **Charles Batchelor**

Time for a fresh image

IF anyone in the factoring industry had believed that it was immune to recession, the past 12 months will have dispelled that illusion. Bad debts and fraud have slashed millions of pounds from its profits.

Three of the smaller players withdrew from the market but even some of the larger, well-established groups have received a severe bruising. As it is, the casualty figure was restricted to GT Invoice Factors, a small, though long-established company, and two recent entrants, Schroders and Westpac Banking Corp.

GT was forced to stop taking on new business when its financial backer withdrew support while Schroders and Westpac decided to wind down their factoring operations because of the tough trading conditions.

But in spite of the gloom, the factors and invoice discounters believe that the end to the recession – when it comes – will give them their chance to become a mainstream financing mechanism for business.

"Factoring will benefit from the attention which is being focused on the issue of late payments and the banks' caution about lending to smaller companies," said Mr Alan Hughes, chairman of the Association of British Factors and Discounters (ABFD) and managing director of Griffin Factors (part of Midland Bank).

Whether this ambition is realised will depend on the industry dispelling what remains of its negative image for financing businesses in trouble. It will also require marketing managers to devise a vocabulary for the industry which has a stronger appeal to potential customers.

Factoring is not a term which means much to many businessmen and women. Kellock decided to label its service as "cashflow finance" after a survey showed many businessmen and accountants did not grasp the role of factoring.

Thirdly, the bank-owned factors may have to devise ways of integrating their factoring and banking services more closely. Allied Commercial Finance, part of Allied Irish Bank, says it is developing a hybrid financing product.

In the short-term, though, the industry will be seeking to recover from its worst year for a decade. UK industry statistics compiled by the ABFD, representing 11 of the largest companies in the business, showed growth of just 2.5 per cent in the turnover of companies serviced by its members to £14.2bn last year.

This compares with a 14 per cent increase in 1990 and growth rates in the 25 per cent range in the late 1980s. This slow rate of increase was solely due to a 6.5 per cent rise in invoice discounting to £8.4bn with both domestic and export factoring recording falls of 2.8 per cent, their first declines since 1981/82.

The much smaller companies which make up the Association of Invoice Factors (AIF) fared slightly better. The nine members of the AIF reported a 12 per cent increase in business volume to £251m last year but this had little impact on the overall level of activity.

The slow down in the UK, the world's third largest factoring market, was mirrored elsewhere. Worldwide, factoring companies did $260bn worth of business in 1991, a 9 per cent increase compared with a 29 per cent rise the year before, according to Factors Chain International, a network of companies in 34 countries. Business volumes stagnated in some of the larger markets but strong growth was recorded in Mexico, Spain, South Korea and Denmark.

The UK industry's hopes of an upturn when the recession lifts are based on the flexibility which factoring and invoice discounting offer businesses. Unlike a bank loan or even an overdraft a factoring facility grows in line with turnover.

Once a bank manager has lent up to what he considers is a prudent level, taking into account the assets which a business can provide as security, he can usually go no further. In the present economic climate few bank managers will lend more than 40 to 50 per cent of the value of invoices and this figure may go as low as 25-30 per cent for less than first class debtors.

A factor, in contrast, will normally pay up to 80 per cent of the value of invoices immediately, with the remainder, minus his fee and interest charges, following when his client's customer pays up. Unlike a bank loan or overdraft, which will have to be renegotiated as the business grows, a factoring facility increases with sales.

In addition to handling his client's sales ledger and advancing cash against invoices, a factor will, if required, arrange for credit insurance.

There are, however, a number of potential pitfalls. The bank may want to reduce its lending if a business assigns security over its debtors to a factor; businesses on fine margins may find the fees too high; and some customers may react badly if they have a negative view of factoring.

For larger, more well established companies, invoice discounting is more appropriate. The client retains control of his sales ledger and only makes use of the cash-in-advance service.

Invoice discounting is a riskier business for the factor/invoice discounter because he is not so closely involved in his client's affairs.

Clients may be tempted to send in invoices before the goods are shipped, create completely bogus "fresh air" invoices or hang on to customer payments which should have been passed on to the invoice discounter.

"The invoice discounters have been badly hit by frauds and losses," commented Mr Nick Sanders, business development director of County Factors. One result of this has been for the invoice discounters to reassess their client lists and move some invoice discounting clients over to a factoring service.

Union Discount Commercial Finance, formerly known as Union Discount Commercial Finance, staged a relaunch last October after running into problems with some of its clients. "We had companies we should have been factoring, not invoice discounting," said Mr David Pretlove, who was brought in as managing director to resolve the difficulties. "We have tidied up our book and carried out a major reorganisation," he said.

Union Discount will continue to concentrate on invoice discounting but is being more selective in its choice of clients. It is targeting companies in the £1m-£15m range and plans to raise invoice discounted turnover to £750m over two years from £200m at the time of the relaunch.

Even when companies have avoided frauds, their margins have come under pressure from the tougher business climate. Existing clients have expanded their sales more slowly while new clients have often been outnumbered by clients going out of business. As new clients represent a cost rather than a profit in the first year the performance of many factors has declined.

There seems little doubt, however, that there will be a continuing demand for the factoring industry's services since the problem of the late payment of debts appears to be worsening rather than easing. Despite exhortation from the government and the promise, in last month's budget, of a reform of court procedures for collecting debts, demand for the debt collection services of factors seems set to grow.

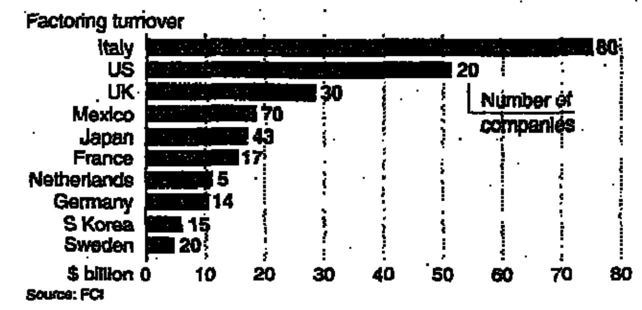
Even the prospect, however remote, of a government introducing legislation to give suppliers an automatic right to claim interest on overdue payments does not appear to worry the industry. "I don't think legislation would help," said Mr John Davies, marketing director of Alex Lawrie, a Lloyds Bank subsidiary. "There has to be a change in the business culture and in the credit control systems companies use."

If legislation were brought in, this would be to the long-term benefit of the factoring industry, according to Mr Hughes of the ABFD. "In some industries there will always be a delay between a company paying its suppliers and getting paid itself. "If legislation reduces the vulnerability of companies to late payments then we are in favour. It is short-sighted to say that legislation would reduce the need for factoring."

There is certainly scope for the factoring industry to increase its market share. A recent survey by the Confederation of British Industry found only 2 per cent of companies polled had used a factor. The factors and invoice discounters currently serve about 12,000 UK companies. Alex Lawrie's Mr Davies estimates that the number of businesses with cash flow problems which would meet the factors criteria at 150,000 while the ABFD's Mr Hughes puts the figure as high as 250,000.

If the banks maintain their cautious policies on lending to small firms the potential for factoring is enormous. But realising that potential will require a huge effort on the part of the industry to "sell" its advantages to a still sceptical market place.

World's top 10: 1991



Source: FCI

FACTORING 2

UK cash-only business loses its shine

Beginners' bad luck

FACTORING has lost much of its shine over the past 12 months for some of the more recent arrivals. As the established firms were forecasting two or three years ago, it has been the invoice discounting end of the market where most of the problems have arisen.

Invoice discounting is attractive to the newcomer because it is a cash-only service and start-up costs are low. It does not require banks of computers and armies of clerks to administer clients' sales ledgers. But precisely because the invoice discounter lacks the same close day-to-day contact with his client as the full-service factor he is more vulnerable. This has led to Schroders, the merchant banking group, shutting down its two-year old subsidiary, Schroder Discount, while Westpac Banking Corp. has closed its invoice discounting operation.

But it has not only been the new arrivals which have had to contend with a hostile environment. GT Invoice Factors, a smaller company and a member of the Association of Invoice Factors, had to close when Union Discount Commercial Finance (UDCF), which was undergoing a reorganisation of its own, withdrew its financial backing. GT had what is known as a "back to back" arrangement with UDCF for it to finance its activities.

"It was not a risk I wanted to take," said Mr David Pretlove, managing director of UDCF. "It puts you at one remove from the customer. If anything went wrong it would have been difficult to take action."

The funding arrangement with GT was ended as part of a general overhaul of UDCF's invoice discounting "book". UDCF had signed up clients for its invoice discounting service which should have really been taken on on a factoring basis where the controls are tighter, said Mr Pretlove.

Some of GT's clients transferred their business to Century, a subsidiary of the Close Brothers banking group, said Mr Leslie Bland, Century's managing director. This formed part of Century's policy of expanding by acquiring portfolios from other factors.

Century had earlier acquired Security Pacific Business Finance (Europe) when Security Pacific, the US banking group, decided to concentrate on its core domestic business. Century paid £662,000 for Sec-Pac Business Finance in July 1991. With expected profits from the company, now renamed S.P. Business Finance (Europe), of £400,000 in the first year of ownership, Century expects to recoup its investment in 18 months.

Although it has been the invoice discounters which have been particularly exposed to the problems caused by the recession, invoice discounting has remained the most buoyant part of the market. Invoice discounting overtook domestic factoring as the largest area of activity in 1989 and has remained the largest sector ever since. In 1991 it accounted for 59 per cent of the UK factoring market, according to the Association of British Factors and Discounters (ABFD).

For companies which manage their exposure carefully, invoice discounting is expected to be the major growth market. Some invoice discounters believe that the invoice discount market will become more distinct from factoring.

This is prompted in part by a desire on the part of the invoice discounters to distance themselves from the stigma which still attaches to factoring and in part by the problems some discounters have had with clients they now realise were more suitable for a full factoring service.

"The two markets will become more clearly defined," said Mr Alan McLaren, managing director of UCB Invoice Discounting, part of the French-owned UCB banking group. The result of this may could well be conflicting pressures within the ABFD, which only two years ago acknowledged the role of the discounters in its title.

But in the meantime the large bank-owned factoring organisations continue to provide both full-service factoring and invoice discounting side by side. For the bank-owned factors, which make up the bulk of the industry, the most intriguing question remains: how will their parent banks respond to the ending of the recession?

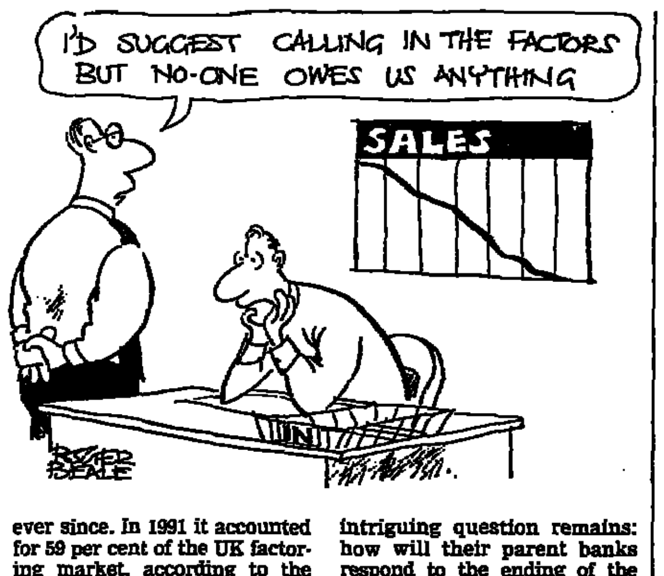
The bank-owned factors have something of a love-hate relationship with their parents. The factors are aware that the banks' financial standing is an important asset to them yet they are conscious that bank managers will retain the best lending propositions for themselves and only refer their less than grade-A clients to their factoring arm.

Some of the factors believe the balance of power may be shifting. The large provisions which the banks have had to make on their small business lending may be a sign that advances to the small end of the corporate market are better made through the factor, who has far tighter controls.

"We are seeing much better propositions come to us than we would have done a few years ago," commented Mr Malcolm Smith, managing director of Alex Lawrie, part of the Lloyds Bank group.

In competing with each other, the factors can never forget that their main rival for business is often the bank which owns them. "I am happy having the bank behind me but I don't want it in front of me as well," commented one.

Charles Batchelor



Export credit role is on the increase

Handy lubricant for foreign traders

FACTORING has increased in popularity around the world as a means of financing and managing export business in recent years.

Worldwide export factoring business rose by 14 per cent in 1991 compared with an increase of just 9 per cent in domestic factoring, according to Factors Chain International, a network of factoring companies. This was the fifth year running that export factoring growth had exceeded that of domestic factoring.

And there are hopes in the industry that 1992 and the formation of a single European market, will increase demand for export factoring which allows open account trading with foreign customers.

In spite of this trend export factoring remains only a small part of the world total of factoring business. It amounted to only six per cent of total factoring volume of $266bn in 1991.

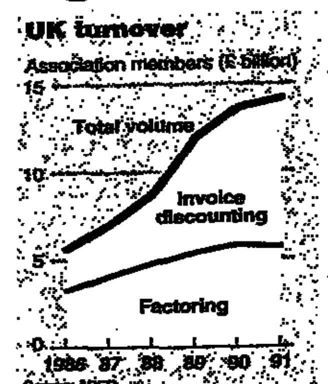
Factoring has not made great headway against more established methods of arranging export finance such as the use of letters of credit and forfaiting, which provides for the discounting of trade bills.

It plays an important role in financing exports in Germany, Belgium and the Netherlands, three of the leading export factoring countries, where it amounts to about 30 per cent of total factoring volume.

But its role in other countries such as Italy and Japan, where domestic factoring is relatively strong, is minimal.

In the UK, export factoring declined by 2.8 per cent to £601m in 1991, in line with the decline in domestic factoring, and now accounts for just 4 per cent of total factoring volumes.

The UK factors attribute their relative lack of success in developing export business to the important role large companies play in the country's exports. The smaller businesses which are the factoring industry's natural clients are not strong exporters, said Mr David Richardson, senior marketing manager at International Factors.



Many companies have traditionally arranged export insurance cover through the Export Credits Guarantee Department.

The sale of the ECGD's short-term export credit department to NCM of the Netherlands may push up rates to more commercial levels and increase the attractions of factoring finance, according to Mr Alan Hughes, managing director of Griffin Factors.

Export factoring has also been held back by gaps in the international networks of factoring companies.

Export factors require links with partners in export destinations to be able to guarantee local coverage. It is the import factor who has the local knowledge to carry out credit checks and chase invoices.

These networks have been expanding in recent years and gaps in eastern Europe and the Far East have been plugged. South America and Africa, areas with serious payments problems, are still to a large extent blanks on the factoring map, however.

In spite of these limitations the failure of export factoring to make faster progress remains something of a puzzle to the factoring industry.

All the benefits of domestic factoring apply even more strongly to export business, where companies are even less likely to know their foreign customers and where currency exchange rates, language and cultural differences combine to complicate trade.

Charles Batchelor

Late payers become a political issue

Knocked about by Norman Lamont

THE late payments issue has been transformed in recent months from a concern of the small business lobbyists to a mainstream political issue in Britain.

Mr Norman Lamont, the Chancellor, announced measures aimed at speeding up the settlement of invoices in his budget last month while the two main opposition parties have unveiled strategies for dealing with the problem.

The factoring industry stands on the sidelines convinced, in the main, that even if the payments performance of British business improves it will still have a significant role to play.

Despite its refusal to change the law to improve payments behaviour, the government acknowledges that the problem is a major one for business. British companies wait on average 72 days for payment, 42 days longer than the terms they normally write into contracts. The cost of financing these delays eats up half of the average businesses pre-tax profit, which itself is only 4 per cent of sales, the government calculates.

The government believes that payments performance will not be improved by the introduction of an automatic right to charge interest on overdue business debts – a scepticism shared by many factors – though its policy of exhortation appears to have failed dismally.

It has therefore opted for a series of less far-reaching measures. In his March budget the chancellor said he would:

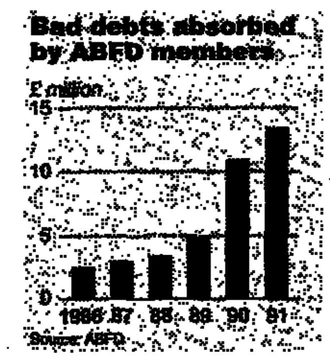
- Require large companies to state in their annual report and accounts how quickly they pay their bills. Up to 9,000 companies could be affected according to the Companies Act definition of "large": sales of more than £8m; a balance sheet of more than £3.9m and 250 employees.
- Simplify procedures for dealing with small claims and debt recovery cases in the courts. This will include dispensing with preliminary hearings in small claims cases; allowing judges to help litigants who do not have legal representation; and allowing claimants to be represented in court by someone who is not a lawyer.
- Make prime contractors to government departments include a clause in their agreements with sub-contractors to pay them promptly: usually within 30 days of receiving a valid invoice.

These measures were welcomed by business groups though they did not go as far as some had hoped. The Federation for Small Businesses had been pressing for the courts to take automatic responsibility for enforcing debt payment judgments. At present plaintiffs must return to the court for a payment order if the defendant does not pay up.

There is also some doubt about the ability of government to insist on prime contractors paying sub-contractors within 30 days when, according to some small business lobbyists, the payments record of government has worsened.

But discussion of these issues will be academic if the Conservatives are not returned to power. Both Labour and the Liberal Democrats have promised legislation to give businesses the automatic right to interest on overdue debts.

The Liberal Democrats want companies to be required to make a provision in their accounts for any interest liability. This is intended to shame larger companies into adopting better payment practices.



But even if these measures were brought in and businesses began paying more promptly there is likely to remain plenty of work for the factors to do. If a statutory right to interest were to be introduced the factors could play a role in collecting that interest.

Charles Batchelor

FACTORING 3

Big US store chains hold key to recovery

Factors enter where banks fear to tread

AFTER three years of watching one highly-leveraged retailer after another file for bankruptcy protection, US factors are cautiously optimistic that 1992 may herald a return to stability.

The year started on an encouraging note, with Federated and Allied department stores emerging from Chapter 11 bankruptcy protection from creditors – the first big US retailers to do so successfully.

And spirits were only somewhat dampened by a bankruptcy filing by R. H. Macy after the Christmas selling season. The big New York-based department store chain, which was taken private in a management-led \$3.6bn leveraged buyout in 1985, had been on a shaky financial footing for several years and the filing did not take anyone by surprise.

The fate of retailers is crucial to US factors, since factoring in the US remains the domain of the clothing, textile and home furnishing industries. About 80 per cent of yearly turnover comes from apparel-related businesses.

Among the services provided by factors in the US are credit-checking, guaranteeing that credit and providing advances against accounts receivable. Clients can choose to use any or all of these services.

The reliance on retail-related business left US factors particularly vulnerable to a string of big department store bankruptcies, which started with Campeau's Federated and Allied Department Stores in 1989 and may have ended this year with R.H. Macy's chapter 11 filing.

But for the factors who weathered the US retail shake-up, there have been some unexpected benefits to the upheaval which may stand them in good stead as the economy starts to revive.

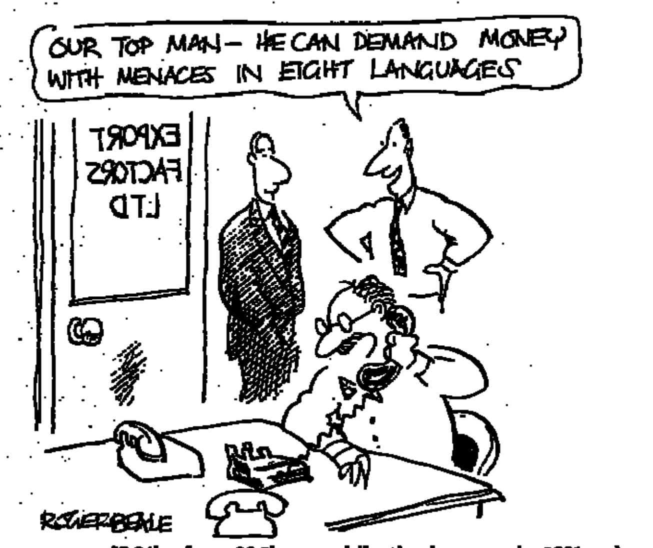
Mr Sidney Rutberg, an editor at Daily News Record and an expert on factoring, believes that publicity over the big department store bankruptcies actually helped some factors. Since factors provide a credit protection service, some manufacturers started to turn to factors to protect themselves while continuing to supply large but unstable customers.

"All the publicity about big credit losses has helped factors increase their client-base," says Mr Rutberg.

The recession's impact on US banking has also had a positive impact on factors. As banks have become more wary about lending, a growing number of mid-size businesses have turned to factoring for funds.

Indeed, 1991 was an improvement on 1990 in terms of factoring volume. Overall industry volume rose 4.5 per cent to \$51.2bn, compared with growth of just 2.1 per cent a year earlier to \$49.01bn.

During the year, Fuji Bank's Chicago-based Heller Financial overtook CIT Group/Factoring to become the biggest US factor in terms of volume. Heller's factoring volume climbed 8.3 per cent to \$7.04bn from \$6.5bn, while CIT's improved 2.6 per cent to \$6.93bn from \$6.75bn.



Of the other big factors, BNY Financial, which acquired BT factors in 1990, had static volume of \$6.2bn in 1991, while Citizen's & Southern Commercial, which acquired Security Pacific Factors in 1989, saw volume grow 2.8 per cent to \$5.96bn. Citizen's & Southern has changed its name to NationsBanc Commercial.

Increased exposure to bad debt has been one of the most worrying aspects of the recession for factors. However, while the increase in 1991 volume was somewhat offset by credit losses, Mr Rutberg says that these losses were not disastrous and all the big US factors made money last year.

Even Republic Factors, which saw a 9.5 per cent decline in 1991 volume to \$3.8bn, is believed to have been profitable in the year. Indeed, there have been no major factoring failures in spite of the high number of retailing bankruptcies.

Factors started to take steps to protect themselves after the Federated and Allied bankruptcy set off alarms about the outlook for other highly-leveraged retailers, for whom the combination of a soft retail environment and high interest payments might prove lethal.

Factors and retailers started to work much more closely together in the following years. In the case of Macy, for example, a special credit committee was set up to work with factors and review the company's financial position.

Close relations with retailers are important, since factors cannot survive if they refuse entirely to ship to big retailers.

"Most of the big retail bankruptcies have been telegraphed so factors were able to ease their way down although they were not able to get out altogether," said Mr Rutberg. "Factors protected themselves by charging premiums of about 1 to 2 per cent on top of normal factoring commissions for shipments to highly leveraged retailers such as Macy's and they also shared the risk."

The trend of consolidation in the industry seems to have started to slow. The number of big factors held steady at about 17 in the last year after dropping from 30 a few years ago.

The coming year may see some more consolidation, though at a slower pace. There are rumours that BankBoston's factoring business is for sale, for example. BancBoston Financial had turnover of \$3.9bn last year.

Meanwhile, every small sign of economic recovery and returning consumer confidence in the US is encouraging news for factors.

Karen Zagor

Italy has had a lively year, writes **David Lane**

Fall-out from a scandal

THE word factoring has entered the Italian vocabulary during the past year as a result of the collapse of the state Federconsorzi agricultural organisation last May, and the subsequent failure of Banca Nazionale del Lavoro's (BNL) Agrifactoring subsidiary.

After the scandal involving unauthorised lending to Iraq through its Atlanta branch, Agrifactoring's failure was the last kind of news that BNL needed. Shown in the bank's books as being its third largest factoring subsidiary, with turnover of L2,602bn in 1990, Agrifactoring recorded factoring assets totalling L1,446bn in its balance sheet at year-end 1990 and had liabilities of L1,224bn towards banks and L233bn towards medium term institutions.

Through Agrifactoring and more than 20 other companies in the factoring sector, BNL Group enjoyed clear market leadership in 1990, winning a share of more than 43 per cent of total Italian turnover. (The Group continues to maintain this lead position.) Its Ifitalia subsidiary, Italy's biggest single factoring company, with turnover of L9,478bn in 1990's total market of L71,774bn, was the first in the business in Italy when it started operations in 1963.

But the prestige of being biggest and first has been tarnished by the Agrifactoring affair. BNL's treatment of the liabilities of the company, shown in its accounts as 50 per cent owned, and generally considered as being under the Italian bank's operational control, has led to ostracism by international banks.

Agrifactoring's assets were suddenly eroded when Federconsorzi collapsed, and its creditors, which include big foreign banks, have been left facing significant losses. BNL's refusal to assume the liabilities of its Agrifactoring subsidiary has caused bad-feeling and distrust, and has led to credit lines being cut, particularly to the Italian bank's parabanking subsidiaries.

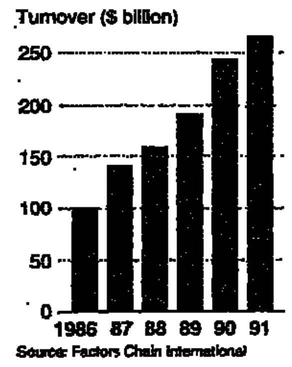
However, while BNL's wriggling and foot-shuffling over Agrifactoring has cut a poor figure, causing a German banker to comment that "Africa starts south of the Alps", it has had no real effect on factoring business. Alessandro Carretta, general secretary of Italy's Assifact factoring association, says, "Agrifactoring's problems had nothing to do with factoring. It was a matter of incorrect management."

Indeed Italy's factoring sector continued on its upward trend in 1991, albeit more modestly than in previous years. Depending on measurement criteria, factoring grew last year by between 9 and 15 per cent. "Though this is much lower than in the 1980s when annual growth of over 30 per cent was recorded, last year's figures show that factoring is still a growing business," says Mr Carretta.

The slowdown is due partly to general economic conditions in Italy, business having been feeling the effects of recession since the end of 1990. But Mr Carretta points to another factor that has been influencing factoring business: legislation introduced at the beginning of last year.

"This offers advantages and disadvantages. On the plus side, there are now safeguards and a juridical certainty to factoring that were formerly lacking, and the possibility of offering new types of operation and products. But, on the other hand, the establishment of a roll of authorised factoring firms at the Bank of Italy and the designation of the central bank as the supervisory body may represent a brake on development," explains Mr Carretta.

Worldwide factoring



Source: Factors Chain International

Biagino Vismara, the executive responsible for parabanking at the Italian banking association ABI, considers that the Bank of Italy's role as supervisor is appropriate. The move will bring uniform treatment to factoring companies of banking and non-bank parentage.

"The sector is now waiting for the Bank of Italy to publish its regulatory framework," notes Mr Vismara. One of the matters on which interest focuses is asset ratios. Indeed, the slowdown in factoring growth may partly be due to companies' reluctance to expand before knowing what ratios they will have to satisfy.

Mr Carretta wonders if the introduction of asset ratios will change the character of factoring in Italy. Captive factors, serving large industrial groups, have been a feature of a market in which they hold a share of about 35 per cent. Will this now decline?

"Captive factors have tended to expand away from servicing group subsidiaries to seek business among suppliers and elsewhere in the market, but generally their asset ratios are more fragile than banks' factoring companies," says Mr Carretta.

Mr Vismara describes captive factors as nothing more than administrative departments, providing just a financial service. But this basic service lies at the origins of factoring in Italy, when credit ceilings limited lending by banks and forced business, and the banks themselves, to other sources of finance.

Notwithstanding the end of credit ceilings, Italian factoring has continued to concentrate predominantly on financial aspects rather than high added value service. "This means that factoring customers are often now high risk borrowers", comments a northern banker.

But the situation may be changing. Encouraged by crowding, high risk and low profitability in Italy's domestic market, the Italian factoring subsidiary of Barclays Bank has chosen to emphasise its capability of providing full sales ledger management service, particularly for foreign operations. Its global network and expertise has allowed it to take leadership in international factoring in Italy. Others seem likely to emulate Barclays. Both Mr Vismara and Mr Carretta predict increasing emphasis on higher service content in factoring.

Japan catches on fast, writes **Neil Weinberg**

Potential for growth

FACTORING is a relatively undeveloped business in Japan, although turnover more than tripled in the five years through 1991 to \$17.203bn.

That was enough to make Japan the world's fifth largest factoring market. At the same time, the economic superpower's share of global factoring activity was a mere 6.5 per cent, suggesting there is plenty of potential for further rapid expansion.

The relatively low turnover is partly due to the late advent of factoring in Japan. The first specialised factoring company was established by a financial institution in 1972 when Sanwa Bank set up the firm now known as Sanwa Business Credit Co.

Not until 1975 did the Ministry of Finance clarify the range of activities such bank affiliates can undertake and officially approve creation of subsidiaries to carry out factoring as a near-banking activity.

That same year, Mitsui Bank and Mitsui & Co. jointly established Japan's second factoring firm, Mitsui Finance. Today 43 bank-affiliated factoring companies are active, including those associated with each of the nation's 11 city, or large commercial, banks. In addition, scores of independent non-bank financing firms offer factoring services to retailers, manufacturers and other clients.

The difficulties faced by small and mid-sized firms in developing modern account supervision and credit collection systems have helped foster the industry, as have the Banking Law's limits on bank financing and credit guarantee activities.

A distinguishing feature of Japan's factoring market is the focus on discounting of promissory notes. Under the system, factors accept notes at a discount from sellers of merchandise, specifying amounts, dates and financial institutions designated to receive funds. The notes can be purchased with or without recourse.

The transactions are appealing because of the ease of transfer and the note holder's clear, binding rights to collect specified amounts from issuers at maturity. The widespread use of promissory notes has fostered this type of factoring activity, and it often takes the place of accounts receivable financing.

Such financing is in high demand among small and mid-sized businesses and at Shohkoh Fund & Co. has expanded 40-50 per cent annually in recent years, says company president and founder Mr Kenshin Oshima. The fast-growing non-bank financing firm derives about one-fifth of its revenues from promissory note discounting and another 4.5 per cent from trade accounts factoring. It expects turnover to increase at least 20 per cent annually for some years, Mr Oshima says.

At the same time, differences in business practices, particularly the widespread use of promissory notes, will keep Japan's factoring market small relative to its economy, argues Mr Takeshi Fukuda, who heads factoring operations at Nichiboshin, a large non-banking finance company.

Promissory note discounting with recourse, in which factors handle collection for department stores, wholesalers, retailers, car dealers and other clients and receive payment from them, involves no direct risk from debtor bankruptcies but yields only razor-thin margins of around 0.15 per cent, Mr Fukuda adds.

In contrast to many other countries, cash financing of accounts receivable is not common in Japan because of legal requirements that sellers gain written consent from each customer before transferring collection rights to a financing company. This is typically opposed by debtors as a sign of distrust among sellers.

The practice frequent among trading companies of providing materials with credit of 90 days or more also often serves a trade financing function, while non-bank financing firms offer additional credit alternatives.

Other services provided by leading factoring firms include direct debit collection, financing with securities and real estate collateral which banks are often proscribed from providing, collection services and international import-export factoring.

Over the past few years, deflation of Japan's speculative real estate and stock market bubbles and a dramatic rise in personal and corporate bankruptcies have vastly complicated credit assessment for all types of factoring, says Mr Mitsuo Higashi, general manager of the international factoring department at Diamond Factors, a member of the Mitsubishi Bank group.

Previously, domestic bad debt rates hovered around 1 per cent. Recently they have roughly doubled and could easily hit 3-4 per cent in the near future, he adds.

Although starting from a small base, Japan-related international factoring grew to \$513m in 1991 from \$62m five years earlier, according to Factors Chain International. This still pushed Japan's total last year to just 3.3 per cent of factoring worldwide.

Currently, only seven firms offer such services in Japan, including six city bank affiliates and Hyogin Factors, a leading domestic factor set up by Hyogo Bank of Kobe.

Prospects are bright for continued rapid expansion of the international factoring market as trade expands and exporters move away from transacting business via letters of credit or using export insurance. Instead, open account sales are rapidly gaining popularity, particularly for intra-Asian trade.

Exporters are also attracted by the ability to present copies of shipping documents and instantly obtain 100 per cent of invoice value from banks. In addition, large trading houses are looking to international factoring to cover insolvency risks and as a simple means of credit protection, says Mr Higashi.

A nine-year veteran of international factoring, Mr Higashi has responded recently to inquiries from several affiliates of large financial institutions keen to enter the market, where he says there is plenty of room for everyone to expand. "Every month we have new clients since we're fulfilling a useful social function," he says. "The market is growing quickly enough that we don't have to worry about competition."

MANAGEMENT

Britain's hospitals have been undergoing radical reform.
Alan Pike assesses whether the medicine is working

In sickness and in health

The National Health Service reforms are one year old today; a decision on whether to blow out the birthday cake candle will be taken by the electorate on April 9.

Next week's election will determine whether the changes introduced by the government last year are to become the pattern of NHS management for the rest of the century, or whether the service faces further restructuring.

NHS managers have spent 12 painful and exhausting months introducing changes which many believe should have been better planned and tested before implementation. But an incoming government committed to unpicking the reforms – as both Labour and the Liberal Democrats are – would find those same managers opposed to a return to the NHS structure in which they worked only a year ago.

Separating managerial judgments from political ones is near impossible in the NHS, where managers are walled-in between Whitehall guidance notes and questions in Parliament. The judgment on whether the reforms are good or bad for health care in Britain is ultimately political. But to the extent that the reforms can be assessed on their managerial merits, they have rapidly achieved a high degree of backing from within the service.

There is one particular reason for this – a separation of management functions which has become known as the purchaser-provider split. Since last April, individual managers have been responsible for either providing services – running hospitals, community or ambulance services – or bying them.

Purchasers, with finite budgets, must not only seek value-for-money from providers but plan spending priorities. They must decide whether, for example, more resources should be devoted to reducing a district's relatively high death rate from heart disease. And if so, what services will go down the list of priorities as a result?

There is a widely-held view among managers that the purchaser-provider split is helping to reshape the NHS into natural component parts, focusing individual managers' attention on distinct functions rather than a canvas so vast that the picture must inevitably be obscure.

"I cannot now find a manager who says that the purchaser-provider split is not the way to achieve change and improve efficiency," says Pamela Charlwood, director of the Institute of Health Services Management.

The existing contracts between purchasers and providers are not likely to survive a Conservative defeat. Labour would retain the separation of managerial functions but scrap the symbol of the provider's independence, the self-governing trust hospital.

A case can be made for this – the split already operates in management terms in districts which do not have trust hospitals. Many managers would not complain if trusts lost some powers, like the ability to sell assets. But the IHSM believes the relatively independent status of trusts is necessary to run the purchaser-provider split effectively.

"The umbilical cord between the purchasing and providing functions is still in place in those districts where health authorities manage hospitals directly," says Charlwood. "Managers are drawn too much into day-to-day operational rather than strategic decision-making, and I think there is a risk of their carrying on with existing patterns of service provision rather than examining alternatives."

Although managers of the first self-governing trusts have spent much of the past year struggling to break-even under a still highly-confined financial regime, there has been room for innovation as well.

When Central Middlesex hospital in west London became a trust last April, it announced plans to restructure its services according to what the patient wants. This approach, being pioneered in a few US hospitals, involves replaces the old institutional structure of a hospital with multi-disciplinary teams working in a series of medical, surgical and other specialist centres. The aim is to transform the hospital from a centralised institution into a delivery system for a range of services which are closer to patients' actual needs.

One year on, Central Middlesex has set up its own in-house team to train staff and will start introducing patient-focused techniques in two departments in August.

The changes will transform working practices. Andy Black, the Central Middlesex's chief executive, is convinced they are happening only because trust status has enabled all planning to take place locally between managers, doctors and nurses who have an equal stake in the scheme's success.

Central Middlesex is a typical London local hospital, little known outside the area it serves. St Thomas', in central London, is world-famous for its clinical services but until recently also enjoyed a reputation within the NHS for financial problems and the highly-politicised nature of its health authority meetings. A new management team has brought St Thomas' into financial surplus and just published its first corporate business plan.

This sets a series of central objectives for 1992-93 – to secure contracts which at least maintain present treatment numbers; reduce costs by 5 per cent; meet new quality standards; shift the provision of care towards more cost-effective day and out-patient work with local general practitioners and offer an improved range of services.

"In the past, managers had to say to doctors that we didn't want them to work more efficiently – we wanted them to save money, and this usually involved reducing the amount of work they could do," says Tim Matthews, St Thomas' chief executive.

"Now we have a management structure which involves medical staff in budgeting and decision-making, and this is producing ideas for reducing unit costs and generating income rather than just squeezing cash out of the system."

Matthews and John Pelly, his finance director, hope that rather than resorting to the NHS's usual recipe for achieving 5 per cent savings – ward closures – they will be able to raise a good deal from income generation instead.

They plan to market occupational health services, an area of activity which the NHS has largely left to the private sector.

St Thomas' currently has contracts with the Foreign Office and the London Fire Brigade and will seek more.

Consultants will be encouraged to treat private patients at St Thomas' rather than in surrounding independent hospitals. The hospital's central London car park has been identified as a significant source of income.

The notion of hospitals having to sell services to outside customers may be too commercial for purist tastes but, say managers, it is being done to help maintain services which in the old bureaucratic days would simply have been closed down.

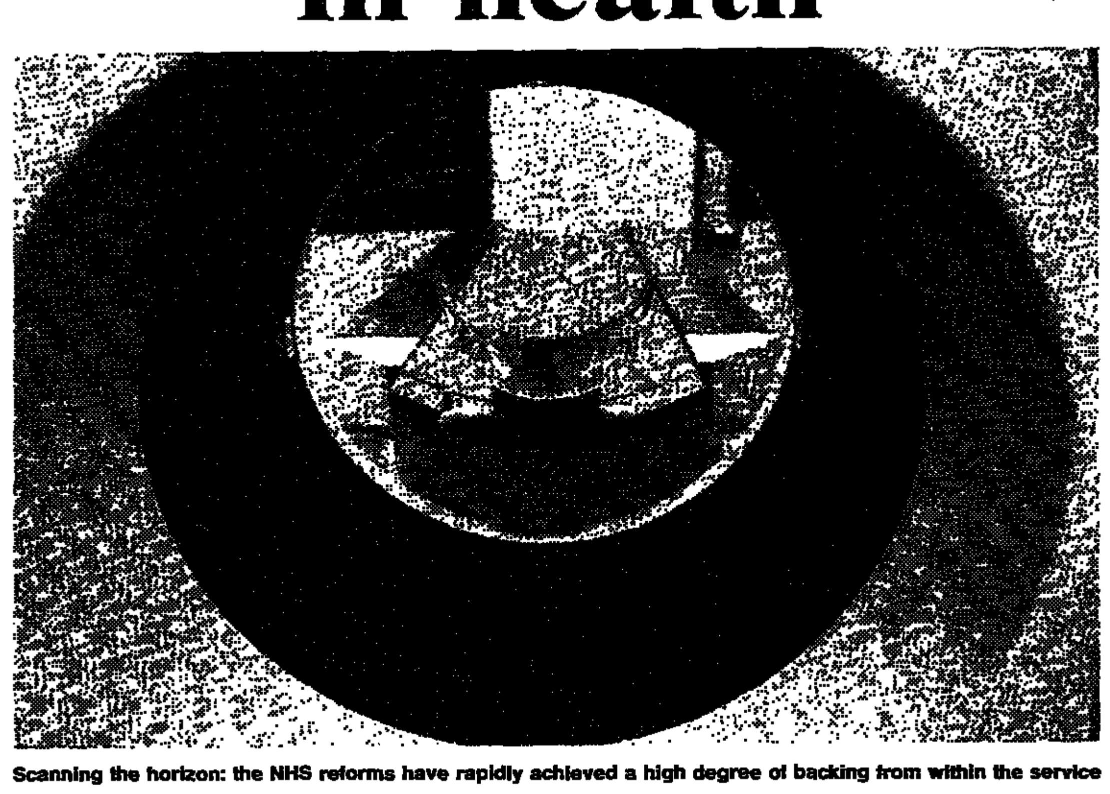
A change of government would see an end to the commercial language which has entered the NHS vocabulary in the past three years, and probably to some of the fringe commercial activity.

But the challenge for a new government would be to ensure that the sharper managerial thinking which has begun growing in the service did not disappear as well.

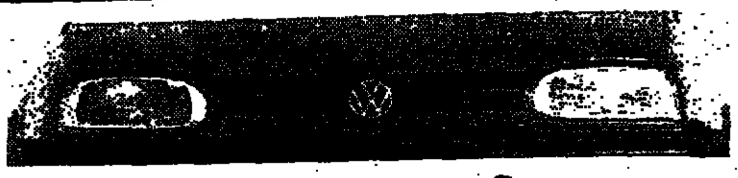
Andy Black, reflecting on the changes which have taken place at Central Middlesex since the hospital became a trust last year, remarks that he has bought a bigger waste paper basket.

"If I didn't ignore vast amounts of central guidance, I wouldn't get the job of running the hospital done."

Whatever the fate of the health reforms after April 9, NHS managers hope that the small flame of independence and accountability evidenced in that brave remark will not be extinguished.



Scanning the horizon: the NHS reforms have rapidly achieved a high degree of backing from within the service



Revving up for an east German drive

Andrew Fisher reports on ambitious plans by Volkswagen and Opel

Volkswagen and Opel have a clear aim in building their new car assembly plants in east Germany – they are trying to beat the Japanese at their own game.

Japanese methods of lean production, cutting out wasted time and materials and trying to keep costs as low as possible, have swept the motor world.

Other car companies have been forced to adopt the Japanese practices as best they can or risk being pushed aside by the competition.

Germany's unification has provided what VW and Opel – owned by General Motors of the US – both see as a golden opportunity.

VW is spending nearly DM5bn (£1.7bn) on its new plant and Opel DM1bn, with around a third of the money coming from investment grants and subsidies. When finished, the plants will be among the world's most modern. Both are being erected near former east German car production sites.

But while the old Wartburg plant in Eisenach turned out 70,000 cars a year with 9,000 workers, Opel will produce around 150,000 of its new Astra family cars with just over 2,000 people at its new site on the edge of the historic town.

The approach will be new for east Germany, where the old state-owned companies made most of their own components and equipment. In modern car plants, the aim is to keep the level of vertical integration – the work actually done in the plant – as low as possible, with most components being provided by suppliers.

At the VW plant at Mosel in Saxony, which will turn out 250,000 Golf family cars a year, only 25 per cent of the components will be made in house.

The plant, employing 6,000 people, will comprise mainly a press shop (which Opel Eisenach will not have initially), body shop, paint shop, and assembly of components made elsewhere (including other parts of the VW group) like engines, axles, and gearboxes.

In west Germany, VW's level of vertical integration is 40 per cent. Just-in-time delivery is vital to the process.

Both the VW and Opel plants will have a minimum of storage space.

Opel plans to have enough parts next to the Eisenach assembly line for two hours of operation, with components for several more hours stored elsewhere on site.

Because suppliers of seats and bumpers will be nearby, these will not have to be stored at all.

Opel has learned much from GM's experience in its joint ventures with Japanese motor concerns in the US and Canada. Tom LaSorda, the confident young Canadian who heads Opel Eisenach, says it takes most European car plants nearly 36 hours to turn out a new car. US companies need around 25 hours.

He wants to reduce this to 20 hours or less in Eisenach. "There's a plant in Japan that's at 13 hours, while Japanese plants in North America are at 18 or 19 hours or even lower, as are some in Europe," says LaSorda.

Opel and VW aim to be flexible enough to respond to changes in customer demands, by producing a wide variety of specifications and options, while lessening vulnerability to falling sales by employing as few people as possible.

This, of course, increases the strain on suppliers to produce parts cheaply and deliver quickly. In times of industrial strife, it also makes plants vulnerable since they have minimal reserves of components. Eventually, Opel Eisenach hopes to reduce the time needed to complete an order from the parent company to around two weeks. These days, up to 10 weeks is common in Europe, but the pressure for change is increasing.

LaSorda foresees more competition from the Japanese in Europe, where they are increasing their UK manufacturing presence. "We have to conclude that they will be successful in Europe. If they are, we've got to be better than they are."

COMPANY NOTICES

NOTICE TO HOLDERS OF EUROPEAN DEPOSITARY RECEIPTS (EDRs) IN PIONEER ELECTRONIC CORPORATION

Public Notice of Record Date

Notice is hereby given that, pursuant to the provisions of the Articles of Incorporation of the Company, any shareholder (including beneficial shareholders; hereinafter the same shall apply) having voting rights as appearing on the register of shareholders and/or the register of beneficial shareholders of common stock as of March 31, 1992, Japan time, shall be deemed to be a shareholder who is entitled to exercise the rights of a shareholder at the 46th Ordinary General Meeting of Shareholders to be held in late June 1992.

It is to be added that year-end dividends on shares will be paid to the shareholders or pledgees whose names appear on the register of shareholders and/or the register of beneficial shareholders as of the same day.

1st April 1992

Bank of Tokyo International Limited (London Depositary)

CLAL FINANCE NV
US $ 20,000,000
GUARANTEED FLOATING RATE NOTES 1995

The interest rate applicable to the above notes in respect of the period commencing 31 March, 1992, will be 5.5 % per annum.

The interest amounting to US $ 139.79 per $ 5,000 principal amount and US $ 279. 58 per $ 10,000 principal amount of the notes will be paid on 30 September, 1992, against presentation of coupon No. 9.

BANK HAPOALIM B.M.
Agent Bank

LEGAL NOTICES

Company No: 1476817
Registered in England and Wales
INSOLVENCY ACT 1986
Resolutions of
STAR INSTALLATIONS (INDUSTRIAL LININGS) LIMITED
PASSED 17 March 1992

At an extraordinary general meeting of the above named company duly convened and held at The Travel Inn, Longford House, Watling Street, Cannock on 17 March 1992, the following resolutions were passed: No 1 as an extraordinary resolution and No 2 as an ordinary resolution.

(1) That is has been proved to the satisfaction of this meeting that the company cannot, by reason of its liabilities, continue its business and that it is advisable to wind up the same and THAT accordingly the company be wound up voluntarily.

(2) THAT Robert Brown, of Foster Baxter Cooksey, Routh House, Hall Court, Hall Park, Telford TF3 4NJ be and is hereby appointed liquidator of the company.

Dated 17 March 1992
Signed W E Lloyd - Chairman

At a meeting of creditors held on 17 March 1992, the creditors appointed John Frederick Powell of Cork Gully, 43 Temple Row, Birmingham B2 5JT in Mr Brown's place.

Dated 17 March 1992
Signed W.E. Lloyd - Chairman

Notice to Creditors to Submit Claims
in the Matter of
VINDOL LIMITED (In Liquidation)
and in the matter of the
Insolvency Act 1986

NOTICE IS HEREBY GIVEN that the Creditors of the above-named Company, which is being voluntarily wound up, are required, on or before the 30th day of April 1992, to send in their full forenames and surnames, their addresses and descriptions, full particulars of their debts or claims and the names and addresses of their Solicitors (if any), to the undersigned; Roger William Cork, Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ, liquidators of the said Company, and, if so required by notice in writing from the said Liquidator(s), are, personally or by their Solicitors, to come in and prove their debts or claims at such time and place as shall be specified in such notice, or in default thereof they will be excluded from the benefit of any distribution made before such debts are proved.

Dated this 25th day of March 1992.
Signed R W Cork, Liquidator

PARKBERRY LIMITED
Registered No: 2298369

NOTICE IS HEREBY GIVEN, pursuant to section 98 of the Insolvency Act 1986, that a MEETING of the CREDITORS of the above-named company will be held at: Haydock Park Racecourse Conference Centre, Newton-Le-Willows, Merseyside WA12 0HQ on 6 April 1992 at 1.30 pm for the purposes mentioned in sections 99 to 101 of the said Act.

A list of the names and addresses of the company's creditors may be inspected free of charge at: 43 Temple Row, Birmingham B2 5JT between 10.00 am and 5.00 pm on 2 April 1992 and 3 April 1992.

DATED - 23 March 1992
By order of the Board
B P Green, Director

Notice of Appointment of Liquidator
Voluntary Winding Up(Members or Creditors)
Pursuant to Section 109 of the Insolvency Act 1986.

VINDOL LIMITED

Company Number: 1548037. Nature of Business: Builders Merchants. Type of Liquidation: Creditors. Address of Registered Office: Shelley House, 3 Noble Street, London EC2V 7DQ. Liquidator(s) name(s) and address(es): ROGER WILLIAM CORK, Cork Gully, Shelley House, 3 Noble Street, London EC2V 7DQ. Office Holder Number(s): 1853. Date of Appointment: 24 March 1992. By Whom Appointed: Creditors.

Signed: R W Cork (Liquidator).
Dated: 25 March 1992.

THE INSOLVENCY ACT 1986
HOLIDAYFAX TRAVEL LIMITED
Company Number: 1739447
Nature of Business: Travel Agents and Tour Operators
Trade Classification: 31

NOTICE IS HEREBY GIVEN, pursuant to S46(I) of the said Act, that on 23rd March 1992, Peter S Dunn and Peter M Appleby of 45 Conduit Street, London W1R 9FB were appointed Joint Administrative Receivers of the above company by Barclays Bank Plc.

Peter S Dunn
Joint Administrative Receiver
Dated this 24th day of March 1992

Notice of appointment of Joint Administrative Receivers
J O CLOVER (1976) LIMITED

Registered number: 1276067. Nature of Business: Feed Processor and Grain Handling and Storage. Trade classification: 1. Date of appointment of joint administrative receivers: 20 March 1992. Name of person appointing the administrative receivers: Midland Bank Plc.

R M ADDY and C J HUGHES, Joint Admininstrative Receivers (Office holder no(s) 1031 & 2041) Cork Gully, Mount Pleasant House, Huntingdon Road, Cambridge CB3 0BL

Notice of appointment of Joint Administrative Receivers
CARMICHAEL SPARES AND SERVICES LIMITED

Registered number: 2201731. Nature of Business: Refurbishment & Repair of Fire Engines. Trade classification: 07. Date of appointment of joint administrative receivers: 19 March 1992. Name of person appointing the administrative receivers: Barclays Bank Plc.

JOHN FREDERICK POWELL and IAN NAPIER CARRUTHERS, Joint Administrative Receivers (Office holder nos 249 & 814) Cork Gully, 43 Temple Row, Birmingham B2 5JT

Notice of appointment of Joint Administrative Receivers
CARMICHAEL BULK LIMITED

Registered number: 2203349. Nature of Business: Manufacture of Bulk Powder Pressure Tankers. Trade classification: 07. Date of appointment of joint administrative receivers: 19 March 1992. Name of person appointing the administrative receivers: Barclays Bank Plc.

JOHN FREDERICK POWELL and IAN NAPIER CARRUTHERS, Joint Admininstrative Receivers (Office holder nos 249 & 814) Cork Gully, 43 Temple Row, Birmingham B2 5JT

Notice of appointment of Joint Administrative Receivers
J L McLENNON LIMITED

Registered number: 1501595. Nature of Business: Specialist Handling and Packaging Engineers to the Brewing Food and Drink Industries. Trade classification: 07. Date of appointment of joint administrative receivers: 25 March 1992. Name of person appointing the administrative receivers: National Westminster Bank Plc.

JOHN FREDERICK POWELL and DAVID JOHN CORNEY, Joint Admininstrative Receivers (Office holder nos 2695 & 1869) Cork Gully, 43 Temple Row, Birmingham B2 5JT

CONTRACTS & TENDERS

Manchester Airport

MANCHESTER AIRPORT TERMINAL TWO RETAIL OPPORTUNITIES

Manchester Airport Plc, Europe's fastest growing Major Airport invites expressions of interest for the operation of speciality retail units in Terminal 2.

Terminal 2, currently under construction, is programmed to open in two phases. Phase 1 in March 1993 will increase Airport capacity by 6 million passengers per annum and Phase 2 in 1998/9 adds a further 6 million passengers per annum, taking total Airport capacity to 24 million passengers per annum.

It is envisaged that the range of eligible retail activities will include:-

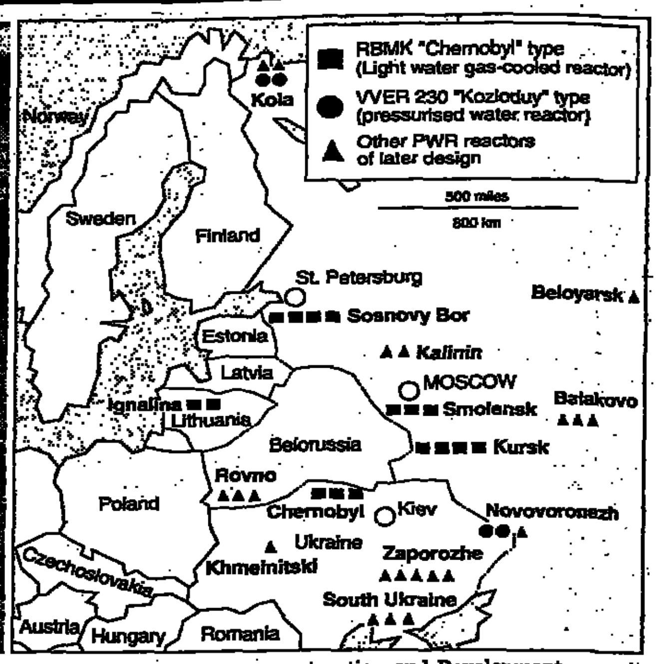
Audio/Visual/Photographic	Cards and Gifts including Flowers.	
Chemists and Druggists.	Confectionery.	Fashion Accessories
Footwear.	Health and Beauty.	Jewellery.
Ladies wear.	Mens wear.	Sports and Leisure wear.

Written expressions of interest only should be made to the Administration Manager, Manchester Airport Plc, Manchester, M22 5PA, England, and must be received no later than Wednesday 8th April 1992. Please quote Reference Number FT22.

BUSINESS AND THE ENVIRONMENT

Last week's radiation leak in Russia could have occurred at dozens of sites in eastern Europe, writes **Andrew Fisher**

Gaping holes in the safety net



They represent one of the grimmest legacies of the old Soviet empire, but it took a radiation leak near St Petersburg last week to refocus public attention on the primitive safety standards in eastern Europe's nuclear power stations.

The incident took place at Sosnovy Bor, one of the 16 Chernobyl-type nuclear plants which most international experts relegate to the category of those beyond hope. But there are many other reactors which western power plant builders feel could be upgraded, and the sooner the better.

Because of their fundamental design flaws, there is broad agreement that safety standards at the Chernobyl-type (RBMK) reactors cannot be improved except at enormous cost. "The only answer is to shut them down as soon as possible. What happened at Sosnovy Bor confirmed that," says Adolf Hüttl, head of the KWU power generation group of Siemens, the German company which is one of the world's biggest constructors of conventional and nuclear power plants.

These 16 RBMK light water gas-cooled reactors have no containment structures of steel and concrete to stop or lessen the impact of radioactive leaks. Also, the numerous cooling channels in each reactor block are so arranged that the graphite used to moderate the reaction process can burn away dangerously in emergencies.

Another disaster like that at Chernobyl six years ago – it rated the maximum of seven on the international nuclear accident scale against three for Sosnovy Bor – would be disastrous for the local population. For the nuclear industry, it would also be a further setback in terms of image – not just in Europe, but also in the US.

There are 63 non-RBMK nuclear power stations to worry about: 42 are in operation and 21 under construction. It is these to which companies like Siemens, ABB, the Swiss-Swedish power engineering company, and Westinghouse of the US have directed their attention in the belief that safety could be improved in stages.

This approach would spread the cost over several years and avoid the unthinkable alternative for the countries concerned of shutting down the plants and depriving millions of people of warmth and light. Czechoslovakia, for instance, obtains 28 per cent of its electricity from nuclear energy and Hungary as much as 50 per cent.

The big problems are time and money. German Chancellor Helmut Kohl is keen that nuclear safety in the Commonwealth of Independent States (CIS) and eastern Europe should be high on the agenda of the Group of Seven industrial countries' summit in Munich in July.

Will this stimulate the west into rapid action? "It will if the other six countries listen," asserts Hüttl. Any action, however, would have to go beyond the G7 nations, though they would bear the main load. Germany, most acutely aware of the problem since it borders on eastern Europe, does not want to finance the whole exercise alone.

Hüttl, who has been helping the Bonn government on this issue, envisages a three-stage plan which would cost roughly DM12bn (£4bn), involve a broad measure of international agreement on basic safety standards and their implementation, and could be under way in the mid-1990s if work is begun soon.

Of the 42 non-RBMK nuclear plants, only the relatively recent VVER 230 pressurised water reactors are equipped with safety features comparable to those in the west. There are 18 of these 1,000 MW plants, of which 16 are in the CIS countries and two in Bulgaria. However, even these need proper controls to monitor changes in pressure and temperature and to trigger action in emergencies.

Those in worst shape are the 10 type VVER 230s (440MW) built up to 20 years ago. There are four in Russia, four in Bulgaria and two in Czechoslovakia. These cannot be re-equipped for long-term operation over the next 10 to 20 years at reasonable cost. For one thing, they also have no proper containment. In west Germany, for instance, nuclear plants have a thick steel casing and an outer concrete dome to protect them from air crashes.

In between come the VVER213s (also 440MW). These were mostly built at the end of the 1970s. There are 14 of them: four in the CIS countries, four in Hungary and six in Czechoslovakia. These have no proper containment structure, but do at least have a system for allowing pressure to escape.

For all the VVER types, the stage-by-stage plan envisaged by Hüttl is as follows:

- Stage one. With a quick start, the next 12 months could be devoted to installing relatively cheap monitoring equipment to detect water or steam leaks, cracks in metal and loose floating particles. These devices and sensors could be fitted for around DM5m per block, or a total cost of some DM200m for all 42 units. In emergencies, they would shut down the reactors.

At the same time, international agreement must be reached on safety standard definitions for eastern Europe's nuclear power stations. This could best be done through the International Atomic Energy Authority in Vienna; the standards would form the basis of decisions by countries on what to do about their existing and future power stations.

- Stage two. Eastern European governments and utilities would work out what was needed for each plant. As well as modern controls and instrumentation, plants would need separate emergency core cooling systems, which would not necessitate rebuilding the whole plant. These would function during an accident.

International experts would work with local engineers and officials to determine what should be done and the likely costs. Loan applications could then be made. At this stage, it is hard to say how the funds would be divided between government and private lenders. They would certainly need government guarantees. Hüttl believes the obvious channel for the money would be the London-based European Bank for Reconstruction and Development.

- Stage three. Around DM4bn of Hüttl's estimated total would be for imports of equipment such as electronic controls and DM8bn for work done locally – the orders would be placed and the work begun. If all goes well, the main contracts could get under way in 1995 and be completed around 1997.

In five years' time, therefore, the main problems with the Soviet-designed water pressure reactors could be solved, with monitoring devices put in early.

The countries with the vulnerable nuclear plants do not have the money; the western nations do have the funds but their budgets are stretched. "The sums of money are not unbearably high for the west and there is no time to waste," believes Hüttl.

Industry turns over a new leaf

British companies faces tougher pollution laws from today, writes **John Hunt**

THE UK government's ambitious attempt to bring the environmental clean-up of industry under one umbrella by a system of integrated pollution control (IPC) has just come to the end of its first year. Today marks the start of the five-year plan's second stage.

To prevent or minimise environmental damage the volume of pollutants emitted from a plant has to be authorised by Her Majesty's Inspectorate of Pollution. HMIP has the difficult task of policing the regime introduced by the 1990 Environmental Protection Act.

New or substantially altered processes came under the regime last April. Existing processes are being brought in under a timetable stretching from last April to 1996. About 5,000 large companies are affected in total.

Industry has complained repeatedly about the time and cost of getting operations approved under the new system, and about the difficulty in getting quick advice from HMIP. The inspectors maintain, however, that industry often has itself to blame for any delays as many companies produced insufficient data in their applications.

Diane Brown, environmental executive at the Chemical Industries Association (CIA), says that HMIP is "trying hard" but progress has been very slow. "There was not sufficient time allowed to make all the preparations," she says. "The politicians wanted the system introduced quickly – so quickly it was."

John Cridland, director of environment for the Confederation of British Industry, estimates that it takes an average of 30 days for companies to fill in the application forms for authorisation, which run to 30 pages of questions. The rise in the costs of complying with the regulations has brought protests from the CBI and the CIA.

For the coming year, the cost of authorisation doubles from £1,800 to £3,650 and the annual fee to cover inspection triples from £500 to £1,500. These are levied on individual processes so a company might have to pay a much larger total sum to authorise an entire plant.

Industry has been worried about public access to the information it provides to get authorisation. The act says that the information has to appear on public registers but it can be withheld on the grounds of commercial confidentiality if a company can prove it would be disadvantaged by disclosure.

The two large power companies, National Power and PowerGen, have not been brought under the new regime. They objected that publication of the mix of fuel they use would provide confidential information to their competitors.

HMIP rejected this and the companies appealed under the procedure laid down in the Environmental Protection Act. A verdict on the appeal is awaited from Michael Heseltine, environment secretary.

Teething troubles were inevitable but many of the problems are now being ironed out. An example is the way the system has been adapted to meet the complaints from the speciality chemical industry.

Companies in this sector make a wide range of products in a swiftly changing and competitive market. If each process had to be authorised every time a new order was received the cost and time consumed could drive them out of business. After consultation the inspectorate has produced a system whereby similar processes are combined in one "envelope" which is given a single authorisation.

The heart of the regime is the rule that companies must apply the "best available technique not entailing excessive cost" (Batneec) in controlling pollution. Some companies have had difficulty finding out what this means in practice and fear that it will prove costly to introduce.

But David Slater, director of HMIP, says it need not be a problem. Multinational companies can often demonstrate the best techniques available and this provides a benchmark for others. "The keynote is practicability. We don't want to put industries out of business. We want them to stay in business and clean up."

FT LAW REPORTS

Manager has duty to act faithfully

TICEHURST AND ANOTHER v BRITISH TELECOMMUNICATIONS PLC
Court of Appeal: (Lord Justice Neill, Lord Justice Ralph Gibson and Lord Justice Stocker): March 11 1992

INDUSTRIAL action short of striking taken by a manager on trade union instructions aimed at inconveniencing or damaging the employer, is a breach of her implied contractual duty to serve him faithfully within the requirements of her contract, and entitles him to refuse to let her work and to withhold wages for any period in which she evinces an intention to withdraw goodwill from her work-performance.

The Court of Appeal so held when allowing an appeal by the defendants, British Telecommunications plc (BT), from Judge Oddie's decision in the Mayor's and City of London County Court, that £817.70 and £297.66 wages were due to the plaintiffs, Mrs Alison Ticehurst and Mr Michael Thompson respectively. The appeal judgment referred only to Mrs Ticehurst, but applied equally to Mr Thompson, a computer support manager employed by BT.

LORD JUSTICE RALPH GIBSON said Mrs Ticehurst was employed as buildings manager at BT's Stone Technical College in Staffordshire.

About 30,000 out of the 40,000 executives employed by BT in certain grades, were represented by the Society of Telecom Executives (STE), a trade union.

STE was seeking a pay increase. From about June 1989, its members took part in industrial action short of striking, described as "withdrawal of goodwill".

They were instructed to choose work options which would cause the most inconvenience to BT; not to do certain work not already agreed with the STE; and not to co-operate with consultants or on projects, or to accept new practices, unless agreed by STE.

In February 1990, STE members voted in favour of strike action. A half day strike was called for April 6 1990.

A letter dated April 4 was sent by BT to STE members, saying it was no longer prepared to tolerate refusals to work in accordance with terms and conditions of employment. It said that following the April 6 strike, managers would be expected to work normally, and "those who are not prepared to honour fully the terms of their contract can be sent home, without further notice and without pay, until they are prepared to work normally in accordance with their contract".

On April 9, STE decided there should be a rolling campaign of strategic strikes. All members were instructed to take strike action on April 10 and 11.

Mrs Ticehurst, who had taken part in the half day strike on April 6, also took part on April 10 and 11.

On April 12, the Thursday before Good Friday, Mrs Ticehurst returned to work. She was in charge of 40 staff. She worked normally for about two hours and was then told that because she had taken further strike action she was to leave the premises, and that on her return to work after the holiday, on Tuesday April 17, she would be asked to give an undertaking to work normally.

Mrs Ticehurst attended for work on April 17. She was asked to sign a document which read: "I undertake to work normally in accordance with the terms of my contract with BT from now on and to take no further industrial action." She was told if she refused to sign she must leave.

She refused to sign, and left.

The same occurred each working day down to April 26.

Judge Oddie found that her refusal to sign the undertaking was not breach of contract, nor was it a refusal to obey a reasonable instruction. He held she was ready, willing and able and wished to return to work.

On the appeal, Mr Burke for BT contended that if an employee was willing to perform only part of her duties or declined to carry them out properly, with the object of damaging the employer's business, the employer was not obliged to accept performance short of full performance and was entitled to refuse to permit the employee to work, and to refuse to pay wages.

Mr Elias for Mrs Ticehurst submitted that, on the evidence, the only reasonable inference was that she was willing to do her work fully in accordance with her contract of employment and without qualification. He said if that was wrong and she was offering to work subject to qualification, neither the intention to respond in future to any strike call, nor to continue withdrawal of goodwill, would constitute breach of contract.

The appeal would be allowed on the ground that Mrs Ticehurst did not prove she was ready and willing to work contractually, and she was plainly evincing the intention to continue withdrawing goodwill in breach of the implied terms of her contract.

BT was, without bringing the contract of employment to an end, entitled to refuse to accept part-performance.

It was common ground that before April 12 Mrs Ticehurst had been taking part in withdrawal of goodwill. STE had called on her to do many things, with the intention of making BT's business unmanageable.

In *ASLEF No. 2 [1972] 2 QB 455,498*, where work to rule instructions avoided a specific direction to breach any express term of the contract but were aimed at frustrating the employers' commercial activity, Lord Justice Buckley said there was an implied term in the contracts of employment "to serve the employer faithfully within the requirements of the contract".

He said "the employee must serve the employer faithfully with a view to promoting those commercial interests for which he is employed".

It was necessary to imply such a term in the case of a manager who was in charge of other employees and who therefore must be entrusted to exercise her judgment and discretion in giving instructions to others and in supervising their work.

Such a discretion, if the contract was to work properly, must be exercised faithfully in the employers' interests.

The term was breached when the employee did an act, or omitted to do an act, not in honest exercise of choice or discretion for the faithful performance of her work, but in order to disrupt the employer's business or to cause the most inconvenience possible.

The action by way of withdrawal of goodwill did have adverse consequences.

If on her return to work Mrs Ticehurst was evincing an intention to continue to participate in the action of withdrawal of goodwill, BT was in entitled on that ground, and without terminating the contract of employment, to refuse to let her remain at work (*Miles v Wakefield MDC [1987] 1 AC 539*).

The principle in *Miles* was that an employer did not have to accept and pay for the work of an employee who was not willing to perform his contract in full.

If the only intention evinced by Mrs Ticehurst was to continue to respond to a strike call if and when called upon by her union to strike, she would have been intending to perform her full contractual duties until sometime in the future, which might not happen at all, when she would break her contract by striking.

The evincing of an intention to continue to participate in the strike campaign did not constitute breach of contract which by itself would have entitled BT to refuse to permit her to work.

The strike was in sharp contrast with industrial action consisting of an intention to injure the employer while maintaining that the employee was working normally.

The intention to continue in the action of withdrawal of goodwill if it was evinced, did entitle BT to refuse to let Mrs Ticehurst work.

Mrs Ticehurst did evince that intention for the following reasons: She took an active part in the withdrawal of goodwill before the strikes; STE's announced intention was that it would continue the withdrawal after the first strike; STE made no announcement before or after the second strike that the action would not be continuing; Mrs Ticehurst gave no evidence of saying to anyone at BT that she would no longer participate.

The appeal was allowed. Their Lordships agreed.

For BT: Jeffrey Burke QC and Roy Lemon (Colin R Green).

For Mrs Ticehurst: Patrick Elias QC and David Bean (Lawford & Co, Richmond-upon-Thames).

Rachel Davies
Barrister

PEOPLE

Career paths crossing Europe's skies

American Airlines has moved its international headquarters from the US to London and appointed Hans Mirka, a 28-year airline industry veteran, to run its expanding international operations.

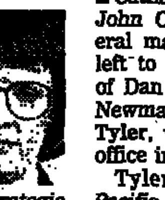
Mirka becomes senior vice president international and will oversee all the airline's passenger and cargo sales and services in Europe, the Pacific, the Middle East, south east Asia and Africa from the new international headquarters. European operations include those it took over from TWA's North Atlantic routes.

Mirka, who had been in charge of American Airlines' international operations at Dallas for the past three years, will be the highest ranking manager in the US airline industry to be based in Europe.

Born in Estonia, Mirka began his career at American Airlines in 1964. After serving as market development manager in New York, he left to join Finnair as its sales manager for North America. In 1971, he returned to American Airlines and helped launch its first European service from Dallas to Gatwick. He also worked for Continental and PanAm before returning to American in 1989.

■ British Aerospace has, for its part, appointed a new chairman for its North American subsidiary responsible for both North and South America. Robert Kirk, the chairman of CSX, the US transport group, is replacing Brian Thomas at the head of BAe's American operations. He will continue as chairman of CSX.

Kirk was appointed a non-executive director of BAe last year becoming the UK company's first non-British director. The appointment was part of BAe's efforts to strengthen its board after the fiasco of its controversial rights issue last autumn and the resignation of Professor Sir Roland Smith as chairman of BAe.



■ Air UK, the Stansted-based airline, has appointed Marcelle Speller to its board as marketing director. Speller was previously vice president strategic planning with American Express Travel Related Services for the UK and Ireland.

She is also a former vice president marketing for Europe and the Middle East for Inter-Continental Hotels and has worked for Avis and Heineken Breweries.

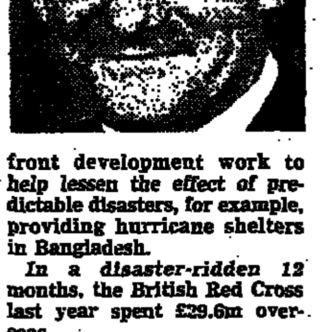
Her appointment at Air UK coincides with an intensification of competition in the European air transport industry as a result of the European Commission's airline liberalisation policy and the development of a single European air transport market.

■ Cathay Pacific has replaced John Olsen, its previous general manager for Europe who left to become chief executive of Dan Air's parent, Davies & Newman Holdings, with Tony Tyler, who arrives from head office in Hong Kong.

Tyler, 36, joined Cathay Pacific parent John Swire in 1977, moving to the airline a year later. More recently he was manager of Italy and France where he was responsible for setting up new routes to Hong Kong from Paris and Rome. He has also worked on the service from America and Japan. Since 1988 he has been general staff manager looking after all aspects of group personnel policy. He will be based in London, developing capacity and frequency of the European routes.

Economist's mind tuned to predictable disasters

Geoffrey Dennis, the new director of international operations at the British Red Cross from today, had "always had it at the back of the mind" that he wanted to work – at a relatively senior level – for charity.



An economist by training, Dennis, who is 40, joins from engineering consultants Travers Morgan, where he looked after the planning division of its environmental side. There, and with his previous employers Ewbank Preece, he has managed a series of projects in the developing world – spending a lot of time in Bangladesh, but also India and the Far East, particularly Indonesia.

He says the fact that Travers was recently bought by Huntingdon, the engineering and environmental services group, had nothing to do with his decision to move to the charity – he had had interviews before he was aware of the Huntingdon offer, and adds that his area was anyway one of Travers' successes.

His new responsibilities encompass disaster relief, "still the highest priority" – for instance, tracing split Yugoslav families; and, a relatively new departure, up-front development work to help lessen the effect of predictable disasters, for example, providing hurricane shelters in Bangladesh.

In a disaster-ridden 12 months, the British Red Cross last year spent £29.6m overseas.

Attracted by the "young and dynamic" senior management – headed by director general Mike Whitlam, 45, – Dennis says the pay cut he has taken is not as significant as it would have been a decade ago, as charities have increasingly woken up to the need to attract "strong professional people".

He replaces David Wyatt who retires after seven years in the job.

■ Pharmaceutical wholesaler UNICHEM, which recently dropped out of the bidding for wholesale chemists Macarthy, has brought in Grahame Sewell from Arcadian International as its new finance director.

Peter Dodd, Unichem chief executive, retires in May, to be replaced by Jeff Harris, the previous finance director and made deputy chief executive.

Sewell, a 42-year-old chartered accountant, had spent just 12 months as finance director of Arcadian International, a leisure property group. At the time he joined, Arcadian had been planning a number of acquisitions but decided instead to develop greenfield sites. Sewell, who sees himself as "very much from an operations background", decided to move on.

One priority at Unichem will be to develop the retail side of the business. With one joint venture in Germany, he also sees Unichem pressing ahead with further European expansion. That is a familiar area for Sewell, who had earlier spent two years as finance director of the international division of sports shoe specialist Reebok, and before that worked as one of the first employees outside the US of software house Lotus Development Corporation.

■ A torrent of complaints from building society customers has led to the appointment of a third ombudsman for the industry to work alongside the two already in place, Stephen Udell and Jane Woodhead.

The new ombudsman will be Brian Murphy, 51, a partner of Farrer & Co, who specialises in commercial and general litigation, employment law and industrial relations. He qualified as a solicitor in 1966.

The latest incumbent will take decisions in his own right. He is likely to have a considerable volume of work: though final figures for 1991-92 will not be available until June, it looks as if complaints have doubled since last year.

■ BAYER, the German chemicals group, has appointed Lennart Aberg as managing director of its Bayer plc, its UK subsidiary. He replaces John Webb who becomes chairman, and will work with him for two months before taking up the new job on July 1.

Aberg, currently managing director of Bayer Sverige in Sweden, said yesterday that the problems facing Bayer in the UK were similar to those in Sweden, with low turnover and high costs. However, the scale of the businesses in the UK, which have a turnover of £414m and employ about 1,700 people, were larger, he added.

Aberg said it was too early to say what big changes might be implemented.

Holbein for National Gallery

The National Gallery has secured its Holbein, one of the paintings on its "most wanted" list. It was confirmed yesterday that "Portrait of a lady with a pet squirrel and a starling" will go on show at Trafalgar Square from April 28. Its owner, Lord Cholmondeley, accepted £10m net under a private treaty sale, which makes the gross valuation of the painting about £14.5m.

This success, after long and tortuous negotiations, is a triumph for three men – Neil MacGregor, director of the National Gallery, who led the campaign to keep the Holbein in the UK; Jack Baer, of dealers Hazlett Gooden & Fox, who undertook the negotiations on the Gallery's behalf; and Lord Charteris, of the National Heritage Fund, who today celebrates his last day as chairman by providing the £3m which clinched the deal.

Originally Lord Cholmondeley, who needs the money to shore up Houghton Hall, his Norfolk seat, was advised to sell the painting at auction, through Christie's on April 15. A price in excess of £15m was anticipated, but the Marquess would have had to pay tax of around 60 per cent on the hammer price.

To avoid this he suggested that the William Kent furnishings at Houghton should be offered to the nation in lieu of tax while remaining at the Hall. This would have made a mockery of the acceptance in lieu provisions.

With the National Gallery's annual purchase grant frozen at £2.75m for the past six years, a package had to be assembled involving the heritage bodies. In the event the National Heritage Fund contributed £3.5m and there was also a donation from the National Arts Collections Fund. But the bulk of the cash, which the Marquess will receive over three years, comes from the National Gallery committing its future purchase grants.

Obviously, after this success it will not be in a position to make any important acquisitions in the foreseeable future, although it does have another purchase fund, financed by J. Paul Getty, that it can use in an emergency. The Getty money helped to purchase the Holbein.

Christie's may be relieved at the private treaty sale. It will not gain its 10 per cent buyer's commission on the hammer price, but it will receive a sweetener for its part in the negotiations, and it will not have to risk offering the painting at auction on an uncertain market. To get the same amount of cash for Lord Cholmondeley at auction Christie's would have had to find a buyer willing to pay around £27m. The Marquess has done very well out of his private treaty sale.

*

The BP Arts Journalism Awards were announced yesterday. Andreas Whittam Smith, editor of *The Independent*, took the press award for his newspaper's coverage of the Pop Art Show at the Royal Academy.

John Higgins, opera critic and obituaries editor of *The Times*, won a special award for his services to the arts. He started the FT arts page in the early 60s and went on to edit the arts page of *The Times*.

Antony Thorncroft

TELEVISION

Quality and popularity

On Sunday, BBC2 showed an excellent "Screen Two" called *The Last Romantics* in which writer Nigel Williams and director Jack Gold managed the difficult trick of combining a play of ideas (the old and new theories of literary criticism as represented by Quiller-Couch and the Leavises) with a conventional drama of personalities in which a young political activist challenged F.R. Leavis with much the same cruelty, though less of the intellectual impact, that Leavis himself had used early in his career when he challenged "Q". The irony was that Leavis (played by Ian Holm) ended up feeling defensive about his old adversary while his frightening wife, Queenie (one of the best performances I have seen from Sara Kestelman, who gets better and better) became more vituperative than ever about Q and the old school.

It was a subtle and engrossing work in which the seemingly rarified matter of literary criticism was shown to be central to the lives of those involved. No drama could convey the whole of the Q-Leavis-C.P.Snow debate about culture which occurred in Cambridge between the 1920s and 1960s without becoming didactic or absurd, but this production went a remarkable distance quite safely down that road.

Towards the end, Q (Leo McKern) said to Leavis: "The issue is whether we share a culture, isn't it, and I have only to look out of my window to know the answer. Just over that wall, even in Cambridge, there are ordinary people, and I cannot believe that they see things much differently than they did in Shakespeare's day, or that they are so very different from you and me, or that *they can't be expected to* understand poetry".

At which point Leavis said: "They inhabit a different world". Q responded: "If I really thought that was the case how could I stand upon my hind legs and talk about something called literature? Because if literature is in as bad a way as you make it sound, it is little more than a private language, and you know what happens to private languages: they grow stale, they die, and they are forgotten".

I quote at length because it seems to go to the heart of a debate which has been proceeding since last October when Michael Ignatieff interviewed David Hare on *The Late Show* about his play *Murmuring Judges* and led Hare into a discussion about "relativism" (though the word was not mentioned): the question of whether, since the 1960s, there have been any widely accepted standards left in the arts in Britain. Hare asserted that, contrary to views which supposedly became popular in the 60s, especially on television, Keats is a better poet than Bob Dylan.

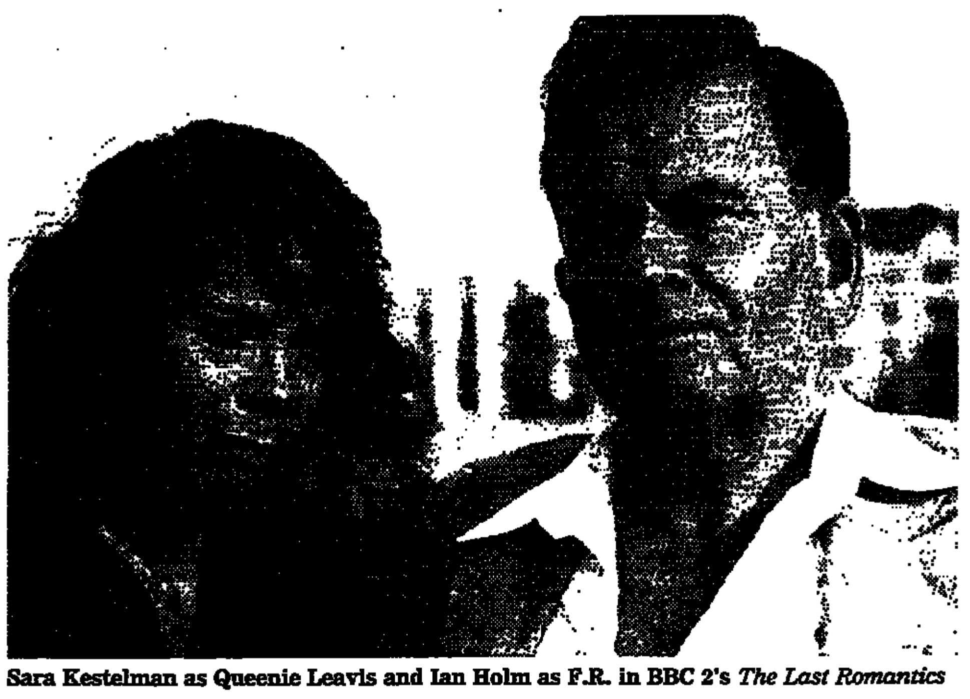
Hare's main points seemed to be that the people involved in television arts programmes, especially programmes like *The Late Show*, treated the arts in an indiscriminate and amoral way, and encouraged destructive criticism from people who had themselves never *created anything of value*. That second argument was settled by Dr Johnson 200 years ago when he responded to Boswell's breast-beating about some earlier criticism of a play by Mallet ("How vain should either of us be to write one not near so good") with: "You may scold a carpenter who has made you a bad table, though you cannot make a table. It is not your trade to make tables".

However, the first part of the argument has continued within *The Late Show* and on various arts pages, especially in the Guardian, where Patrick Wright summarised the new approach as "carrying out elaborate cultural studies on the everyday world, decoding advertisements and drawing up lifestyle audits on each other". The debate is scarcely new, of course. There have always been those who looked on programmes such as the famous edition of *Arena* on the Ford Cortina as a surrender to philistine values.

No doubt the defenders of the old faith will have despised *Arena's* two most recent programmes, on Chi-Chi, the famous panda in London Zoo, and on the fiction of Armistead Maupin, the gay writer whose column "Tales Of The City" became such a hit in the *San Francisco Chronicle*. Above all they will have loathed last week's edition of *40 Minutes* called "Farewell Fab 208", which offered a showerbath of nostalgic sights and sounds for *those who grew up with Radio* Luxembourg, "Your station of the stars". I found all three fascinating, and informative.

Many people, probably a majority of the regular readers of this page, would argue that the value of Radio Luxembourg to society is a tiny fraction of the value of, say, the Royal Opera House, because the experience of listening to, say, Placido Domingo singing "Your tiny hand is frozen" is vastly superior to that of listening to Max Bygraves singing "You need hands".

With that particular comparison, who could disagree? But you do, surely, have to be very particular: what about Frank Sinatra at the peak of his career singing Cole Porter, as compared with one of our many lesser tenors singing in one of Covent Garden's flops? Even Hare admitted to Ignatieff that Raymond Chandler is a better writer than many of those who, in his day at Cambridge, were required reading.



Sara Kestelman as Queenie Leavis and Ian Holm as F.R. in BBC 2's *The Last Romantics*

I suspect that what is happening here is that, for the first time in history, there is a universally available means of mass communication (television) which is able and willing to investigate and celebrate popular art before history has had time to sort out good from bad. Even the rigorously elitist Leavis in his best book, *The Great Tradition*, acknowledged the quality and value of Dickens' *Hard Times*, and how did that first reach the public? As weekly episodes in *Household Words*, its appearance more than doubling the magazine's circulation. In other words it was the soap opera of its day, appearing in the populist medium of its day.

It is hard to avoid the feeling that the debate now advancing under the impressive device "relativism" is actually just a variation on the familiar snobbish attitude towards television among the British intelligentsia, and it is not hard to see why. If you work in the theatre what can you hold up in your own medium, from the past five or six years, which bears comparison with *Edge Of Darkness*, *The Singing Detective*, *A Very Peculiar Practice*, *Tutti Frutti* or *Talking Heads*? (And that ignores adaptations). Even more to the point, what can the theatre produce to compare with *Minder*? Naturally the standard has varied, but at its best *Minder* can easily bear comparison with Dickens, and its audience is even larger than his was.

Obviously a book, theatre production or programme is not good merely because it is popular, as anybody with a minimum of judgment and taste can tell by looking at a Mills & Boon paperback, *The Mousetrap* (not long ago I checked: it is *appalling*) or any edition of *Neighbours*.

More importantly, however, anyone who looks at Amis's novels, Ayckbourn's plays, and a host of television programmes from Attenborough's to Alan Bennett's can also establish that a book, theatre production or programme is not bad merely because it is popular, and that is the point which those marching under the "relativism" banner seem to find so very hard to accept.

Christopher Dunkley

The Chalk Garden

Here is a bold revival, especially for this theatre. Enid Bagnold's *The Chalk Garden* was written in 1956, almost at the same time as John Osborne was writing about Jimmy Porter and the English stage was putting the old upper middle class traditions behind it.

Ms Bagnold, as I suppose we would call her now, though she was in fact Lady Jones, the wife of the chairman of Reuters, belonged firmly to the old school of plot, characters, servants and masters, an element of suspense, some symbolism, no swearing and a few witty lines of dialogue. She was different from what came after.

Or was she? Watching *The Chalk Garden* I had an uneasy sense of continuity. The play reminds you of Terence Rattigan, whom the King's Head has also had a shot at reviving. But, in technique, it is not so far apart from *Look Back in Anger*. It is the social attitudes and the language that have changed.

In the Bagnold world it was possible to talk about Aden without guilt and without even mentioning – remember 1956 was the year of Suez – that it was a British colony. There were miscarriages of justice by eminent judges: people went mad, couldn't stand their mother, abandoned their children and went off with lovers. But they referred these matters in an articulate way, sometimes even in front of the servants.

The Chalk Garden is a bit heavy on symbolism. Essentially it is that some plants grow on chalk and some do not. "Whoever tried to grow rhododendrons in a chalk garden? Soil cannot give what it has not got." says Miss Madrigal, the possible murderess who has served 15 years in prison for a crime we do know if she has committed, or even wholly what it was. And so it goes for people: they need the right environment (not, incidentally, a word much used in the Bagnold vocabulary).

Maitland, the manservant, has been in prison too – for being a conscientious objector. He and the abandoned daughter are fascinated by murders, but so not so much the crime itself as the motivation behind it.

In the end it all ends happily enough, though not without a final lump in the throat. The old judge who sentenced Miss Madrigal comes to lunch, the mother returns from the Middle East to pick up her daughter who has been loosely in Miss Madrigal's charge and Miss Madrigal decides to stay with the grandmother determined to grow unexpected plants on chalk.

Alastair Muir

Constance Cummings: places the eccentric grandmother in the grande dame tradition

Sentimental perhaps, but dated only in the sense that it belongs to a period. As a vehicle for acting, it is superb. Robert Austin is a marvellous Maitland, Constance Cummings plays the eccentric grandmother in the tradition of the best of English *grandes dames* and Jean Marsh is full of fluttering feeling as Miss Madrigal.

Everyone shines and the piece is directed by Mark Rayment.

Malcolm Rutherford

King's Head Theatre Club
115 Upper Street, N1
Ends May 2
Box Office 071-226 1916

Music in London

The Wallace Collection

John Wallace is a cheerful Scot who plays the classical trumpet. He has been a Philharmonia principal for years, but also runs a sort of brass sewing-group, neatly called the "Wallace Collection", and with them or solo he hunts up new music. In the Queen Elizabeth Hall on Monday, the group got together with the Philharmonia itself for a bracing programme.

The first half was doubly perverse. Not only did it begin with Britten's all-strings *Simple Symphony* arranged for chortling brass and percussion (by Colin Matthews and Simon Wright), and a Gabrieli Sonata for five mixed-instrument choirs suavely arranged for 23 strings (by Wallace), but it required two long, fascinating ballets of stagehands to rearrange the seating for the different performing forces.

The third work, Michael Torke's *Copper* with *concertante* brass quintet – a European première – showed Torke in typically buoyant form. Which is to say, not *quite* typical: nearly every piece by this young American composer slips a new device or two into his shiny but austere post-minimalist kit.

In *Copper* there were vinegary new modulations, more intriguingly disruptive than before, and much off-beat interplay between quintet (*heavy* brass: two trumpets, horn, trombone and tuba) and orchestra. Also dewy Impressionist linkages from the strings, and shamelessly naff paragraph-ends by carolling woodwinds; and the usual Torke effect of tough musical muscle rippling beneath that slick surface.

The muscle was what was missing in Tim Souster's 1988 Concerto for trumpet, live electronics and orchestra. That boasted a rich, eclectic panoply of sounds, with Hollywood-evocative aims confirmed by the taped wave-noises in its central "Beach" movement (*Dover* Beach, as in Matthew Arnold), without any guiding musical idea.

Though Wallace delivered his broken phrases in the first two movements with searching eloquence, the final "Dawn" movement resorted to the merest Technicolor. Souster is an admirably unclassifiable composer, but he should leave this kind of thing to David Bedford, who does it with far greater conviction.

David Murray

Dezsö Ránki/Nelson Goerner

Ránki's appearance at St John's on Monday was a real lunchtime treat. London seems to have been starved of fine piano recitals lately – too many cancellations, too many second-rate pianists propelled to top billing – and by any measure Ránki, an infrequent visitor here, belongs in the top flight. His programme of Haydn, Kurtág and Beethoven for the BBC Radio 3 proved to be a fine showcase for his refinement and elegant control.

There has never been anything ostentatious about Ránki's playing. Haydn's F minor Andante and Variations were unfolded with an easy, slightly melancholy grace; every particle became so beautifully focused that a momentary lack of precision, a flurry of semiquavers out of kilter in the second variation, was made to seem a major miscalculation, even though poise was immediately restored for the coda.

Beethoven's E flat major sonata Op. 31 no. 3 was similarly adroit, consistently illuminated by Ránki's scrupulous concern for voicing and balance. The shading imparted to the opening phrase, the weight transferred gradually from left hand to right as the tone colour was allowed to open out, was characteristic of the care he lavished on every aspect of the sonata. It was capped by a scherzo of unflagging buoyancy, each line wonderfully articulated, and a finale of plain good humour, neither sly nor overdone.

Between variations and sonata Ránki offered a group of a dozen pieces out of György Kurtág's collection *Jatekok* ("Games"), child-like but never childish explorations of the simplest ideas – a single note, a single chord, a glissando. To an artist of Ránki's sophistication and accomplishment the miniatures offer a wonderful opportunity to demonstrate how effective it can be when the most straightforward things are executed effortlessly, and difficulties made to seem straightforward.

Andrew Clements

* * *

Another non-appearance at the Royal Festival Hall by Martha Argerich: she was to have played there on Sunday, with the Philharmonia under Claus Peter Flor. On this occasion there was at least a substantial measure of compensation in the substitute: the young Argentinian Nelson Goerner, most recent prizewinner of the Geneva Piano Competition.

I heard him for the first time last summer, when he stepped in at the Granges de Meslay Festival at Tours for an equally elusive front-rank virtuoso, Sviatoslav Richter, and acquitted himself with memorable poise and naturalness. On Sunday it took him all of the first movement of Mozart's C minor concerto, K. 491, to fine down the edgy brightness of his delivery and calm a tendency to run nervously ahead of the beat. But once disciplined to the services of the music, that same mercurial spirit touched on the sublime unease of the concerto with remarkable vividness.

In the finale, Goerner's spontaneous responsiveness to the dramatic pull of the argument was balanced by his beautifully weighted delivery, with limpid, shapely, and at the same time "personal" insights in every bar. With partnering less insensitively brisk and bandmasterly than Flor's, he would surely have made an even more positive impression; in any event he has successfully argued the case for a return invitation.

Max Loppert

INTERNATIONAL
ARTS GUIDE
TODAY'S EVENTS

■ AMSTERDAM

Muziektheater 19.30 Julian Reynolds conducts Pierre Audi's production of Mozart's Mitridate, with Bruce Ford and Jochen Kowalski. Tomorrow, Fri, Sat and Sun: Dutch National Ballet triple bill (6255 455)
Concertgebouw 20.15 New London Chorale in concert. Tomorrow and Fri: Riccardo Chailly conducts Ives, Varèse and Schat (6718 345)

■ BRUSSELS

Palais des Beaux Arts 20.30 Soloists of the Ballet of La Scala, Milan, in a programme of highlights from Sleeping Beauty, Giselle and Romeo and Juliet. Repeated tomorrow and Fri. Sat: Bach's B minor Mass (507 8200)
Monnaie 20.00 Rosas dance group in Achterland, choreography by Anne Teresa de Keersmaeker, music by Ligeti and Ysaye. Also tomorrow and Fri. Sat: Dietrich Fischer-Dieskau, accompanied by Christoph Eschenbach, sings Die schöne Müllerin (219 6341)

■ COLOGNE

MUSIC
Tonight at the Opernhaus, James Conlon conducts Harry Kupfer's new production of Pelléas et Mélisande, with Jeanne Piland, Francois Le Roux and Victor Braun, also Sat. Tomorrow and Sun: The Anger of Achilles, new ballet by Jochen Ulrich. Fri: Der Rosenkavalier with Felicity Lott (221 8400). Tomorrow at the Philharmonie: reconstructed version of Bach's St Mark Passion. Fri: recital by Viktoria Mullova. Sat: Marcello Viotti conducts Copland, Gershwin and Bernstein. Sun: Bach's St Matthew Passion (2801)
THEATRE
The current repertory at the Schauspielhaus includes Dürrenmatt's 1980 play Der Besuch der alten Dame, directed by Uwe Eric Laufenberg (tonight and Sat), Jean Genet's The Maids (tomorrow) and Aristophanes's Lysistrate (Sun). Tonight's performance at the Schlosserei is Heiner Müller's play The Mission, Memory of a Revolution (221 8400)

■ DRESDEN

Semperoper 19.00 La bohème, also Sat. Tomorrow: Entführung. Fri: song recital by Helen Donath. Sun: Parsifal with Klaus König and Theo Adam (4842 731). Tomorrow and Fri in Kulturpalast: Giuseppe Sinopoli conducts the Dresden Staatskapelle in works by Webern, Mozart and Schubert (4842 731). Sat and Sun morning: Lothar Zagrosek conducts the Dresden Philharmonic Orchestra in works by Beethoven and Brahms (4866 306). Sun in Kreuzkirche: Vespers with the Kreuzchor (495 1435)

■ HAMBURG

Staatsoper 19.30 Don Pasquale. Tomorrow, Fri and Sat: John Neumeier's production of Sleeping Beauty. Sun: Turandot with Galina Savova and Lando Bartolini (351721)
Deutsches Schauspielhaus 19.30 Lessing's 1772 tragedy Emilia Galotti. Tomorrow: Arthur Miller's Death of a Salesman. Fri and Sat: Bernard Minetti of the Berlin Schiller Theater in a stage adaptation of Grimm's Fairy Tales. Sun: The Tempest (248713)

■ LEIPZIG

Gewandhaus 20.00 Iona Brown is conductor and soloist with the Norwegian Chamber Orchestra in a programme including Vivaldi's Four Seasons. Tomorrow and Fri: Jorg-Peter Weigle conducts the Gewandhaus Orchestra in Sibelius' Second Symphony (7132 252). Fri in Opernhaus: Britten's A Midsummer Night's Dream. Sat: Les Contes d'Hoffmann. Sun: new Gubaidulina ballet, choreographed by Arila Siegert (7168 273)

■ LONDON

Covent Garden 19.00 Jeffrey Tate conducts John Schlesinger's production of Les Contes d'Hoffmann, with Neil Shicoff, Samuel Ramey, Anne Howells, Sumi Jo and Leontina Vaduva, also Sat. Tomorrow: Guillaume Tell (071-240 1066). Tomorrow at Sadler's Wells: first night of Baryshnikov season (071-278 8916)
Coliseum 19.30 Harry Bicket conducts David Freeman's ENO production of Monteverdi's Orfeo, with a cast including Anthony Rolfe Johnson, Sally Burgess and Jennifer Smith. Tomorrow: first night of new production of Don Carlos (071-836 3161)
Royal Festival Hall 19.30 Kurt Masur conducts the London Philharmonic in Hindemith's Concert Music for strings and brass, Gershwin's Rhapsody in Blue (soloist Cécile Ousset) and Tchaikovsky's Fifth Symphony. Tomorrow: Rattle conducts the CBSO (071-928 8800). Tomorrow at the Barbican: Alfred Brendel plays Beethoven (071-638 8891)
Queen Elizabeth Hall 19.45 Guy Barker Quintet and Keith Nichols Orchestra in a programme entitled 60 Years of Jazz Trumpet. Tomorrow: Vivaldi's Gloria (071-928 8800)

■ NEW YORK

THEATRE
● Hamlet: Stephen Lang stars in Shakespeare's tragedy, directed by Paul Weidner. Final preview tonight, opens tomorrow, runs till May 3 (Criterion Center Stage Right, 1530 Broadway at 45th St, 869 8400).
● Jelly's Last Jam: Gregory Hines stars in a musical based on the life and times of musician-composer Jelly Roll Morton. Currently previewing, opens on April 25 (Virginia Theater, 245 West 52nd St, 239 6200).
● Man of La Mancha: Raul Julia and Sheena Easton head the cast in a revival of the 1967 musical based on Cervantes' Don Quixote. Currently previewing, opens on April 27 (Marquis Theater, 1535 Broadway at 45th St, 382 0100).
● The Master Builder: Ibsen's drama, directed by Tony Randall, has a cast including Lynn Redgrave. Runs till April 26 (Belasco Theater, 111 West 44th St, 239 6200).
● Conversations With My Father: Herb Gardner's play, set in lower Manhattan, spans four decades and focuses on a youth's coming of age and his struggle to communicate with his strong-willed immigrant father (Royale Theater, 242 West 45th St, 239 6200).
● Ticketmaster answers inquiries and sells tickets for most shows on and off some Broadway shows (307 4100) and rock/pop concerts (307 7171)

■ PRAGUE

Tonight's Prague Symphony Orchestra concert at the Smetana Hall is conducted by Libor Pesek, and consists of Strauss' Oboe Concerto (Jonathan Small) and Mahler's Second Symphony (u Prasne brany 2, 232 5858). Tomorrow and Fri: Jiri Kout conducts the Czech Philharmonic Orchestra in Bruckner's Eighth Symphony (231 9164). The repertory at the Prague State Opera (formerly Smetana Theatre) includes a new production of two Zemlinsky one-act operas. For pre-booking and information about other events, contact city centre ticket agencies (Bohemia, Na Prikope 16, 228736, or Melantrich, Wenceslas Square 38, 228714) and theatre box offices.

■ STOCKHOLM

Royal Opera 19.30 Hal France conducts Ann-Margret Pettersson's production of Maria Stuarda. Tomorrow: Arabella. Fri: Le nozze di Figaro (248240)
Konserthuset 19.30 Witold Lutoslawski conducts the Stockholm Philharmonic Orchestra in a programme of his own music: Livre, Cello Concerto (soloist Torleif Thedeen) and Third Symphony. Repeated tomorrow (244130)

■ STRASBOURG

Palais de la Musique 20.30 James Loughran conducts the Strasbourg Philharmonic Orchestra in Ravel's Le Tombeau de Couperin, Strauss' First Horn Concerto and Dvorak's Eighth Symphony (8837 6777)
Théâtre National 19.30 Les Amours Tragiques de Pyrame et Thisbé, play by the early 17th century French poet-playwright Théophile de Viau. Daily except Sun and Mon till April 11 (8835 4452)

European Cable and Satellite Business TV

(all times CET)

MONDAY TO FRIDAY

CNN
2000-2030, 2300-2330 World Business Today – a joint FT/CNN production with Grant Perry and Colin Chapman

Super Channel
0830-0900 (Mon) FT East Europe Report – weekly indepth analysis from FTTV
0830-0900 (Tues) Spiegel TV – Intl Report – the real world of documentary
2130-2200 (Tues) Media Europe – what's new in European media business
2130-2200 (Wed) FT Business Weekly – global business report with James Bellini
0830-0900 (Thurs) Media Europe
2130-2200 (Thurs) FT Eastern Europe Report
0830-0900 (Fri) FT Business Weekly
2130-22.00 (Fri) Spiegel TV – Intl Report

Sky News
0130-0200 (Mon), 2130-2200 (Thurs), 0530-0600 (Fri) FT Business Weekly

SATURDAY

CNN
0900-0930 World Business This Week - a joint FT/CNN production
1900-1930 World Business This Week

Super Channel
1930-2000 FT Eastern Europe Report

SUNDAY

CNN
1030-1100, 1800-1830 World Business This Week

Super Channel
1800-1830 FT Business Weekly

Sky News
1330-1400, 2030-2100 FT Business Weekly

FINANCIAL TIMES

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Wednesday April 1 1992

Weakness at the Tory heart

BRITISH BUSINESS overwhelmingly desires an outright Conservative victory in next week's general election. As a consequence, there is growing dismay at the quality of the effort being directed to achieve that end.

On paper, the Conservatives can comfort themselves that until last night they were on average only a couple of percentage points behind in the opinion polls. It may yet be that, in the privacy of the marginal seat polling booth, the combined alarm at Labour's personal tax plans and fear of the unknown will save Mr Major from eviction.

Yet when the campaign began three weary weeks ago, the Conservatives had every reason to think they could overhaul a party committed to tax increases and with a leader whose personal rating has oscillated between the cool and the downright hostile. Mr Major, by contrast, remains a well-liked, trusted figure. What has gone wrong?

The campaign, to put it mildly, has lacked focus. Was Mr Major to be a bar-stool crooner or a soap-box firebrand? Both continue to be tried. Was Mrs Thatcher in exile from the campaign or at its heart? She began on the edge, moved to the centre and is now in America.

What is Mr Michael Heseltine up to? Before the election he was made minister of everyone else's portfolio. He has yet to make an impact on the campaign. Other dogs of war have been unleashed, only to slink back to their kennels. Mr Christopher Patten, the party chairman, spends half his time fighting his own marginal seat in Bath and is therefore dependent upon mobile phone and fax contact with his inexperienced team at central office. On the rare occasions when the also permanently itinerant Mr Major and Mr Patten sit down to think, their fatigue can only be guessed at. Frankly, the Tory front bench looks exhausted.

Endless confusion

There has also been endless confusion about the desired terrain of the Tory campaign. Initially, the focus was tax and Mr Major. After Labour's shadow budget, it became obvious that Mr Lamont was no campaigning match for his shadow, Mr John Smith, and the Tories slipped back in the polls.

Then came the diversion caused by Labour's mishandling of its health campaign, which ironically led to a modest narrowing of the Labour lead. How did central office respond to that? By relaunching the week-one tax theme, with the same tired advertising, thus bringing Mr Smith back into the spotlight, since when he has cruised up and down the River Thames shelling unfortified Tory positions at will.

Journalists have been briefed that the Tory campaign would become more aggressive towards Labour – more "negative"; then that it would be more positive. If household appliances were wired in this manner the whole of central office would have been electrocuted by now.

Unpunished mistakes

Meanwhile Labour has been allowed to make unpunished mistake after mistake. Most obviously, the Tories' response to Labour's unscrupulous health broadcast was fluffed, but every day brings new errors. The prime minister promises annual tax cuts. The chancellor says Britain can't afford them. Mr Kinnock virtually pledges to index public sector pay to private sector wages; central office manages, just, a fax to the press by teatime.

Labour's own campaign has been tight rather than brilliant. It has benefited from a single sustained message – "it's time for Labour" – and unshakeably solid salesmanship from Mr Smith. Mr Kinnock is mainly seen parading grandly, but when he has emerged for big television interviews, he has done well, handling hard questions on the economy and public finances with a suavity many thought beyond his capability.

Mr Major now has a mountain to climb and looks short of oxygen bottles. As he gathers his advisers for a last, desperate attempt at the peak, he will need more than a new advertising agency and a good night's sleep.

He needs to decide, in a way which his manifesto failed to do, whether he stands for softly spoken Thatcherism or something identifiably different. Although a popular man, his campaign has exposed to the British public his party's identity crisis. This is not just a matter of presentation: it is the weakness at the heart of the Tory campaign.

New challenges for Mr Mieno

THE BANK of Japan has overplayed its waiting game; monetary policy has remained too tight for too long. The desire of its governor, Mr Yasushi Mieno, to appear independent of political influence has prevented the interest rate cuts needed to boost confidence and revive Japan's ailing economy. Yesterday's modest fiscal package will do little to improve growth prospects; fiscal policy is a notoriously ineffective tool for stabilising economies. The risks facing the Japanese economy justify an aggressive easing of its monetary policy.

It is slow growth, not a revival of inflation, that currently threatens Japanese economic stability. Mr Mieno was right to keep monetary policy tight throughout 1989 and 1990 in order to deflate Japan's asset price bubble; it appeared he would succeed without a recession. But last year's hero risks turning into today's villain. The governor may well have already have gone too far in the deflationary direction.

The Bank of Japan remains obsessed with the need to prevent a resurgence of land and retail price inflation. The stock market is at a five-year low; residential land prices fell last year for the first time in 17 years; broad money growth is at record lows; and consumer and wholesale prices both fell in February. Meanwhile, the impending signs of recession are accumulating: gross domestic product contracted in the last quarter of 1991; industrial output fell in February compared with the year before; business and consumer confidence is depressed.

Failing the test

Yet interest rates have fallen by just 1½ percentage points from their peak, and not at all since Christmas. An effective central banker must be willing both to raise interest rates at the first sign of inflationary pressure and then cut rates aggressively when falling inflation risks turning into output deflation. So far Mr Mieno is failing the latter test.

Japan may still escape the full-scale debt deflation that the US and UK are currently enduring. The Japanese financial sector has been hit by the combination of high real interest rates, the fall in stock market wealth and accumulating bad debts. But, so far, companies and consumers have escaped relatively unscathed.

Japan's consumers are not being hit by the paralysing combination of heavy debts and rising unemployment that has stalled recoveries in the US and Europe. Householders were largely unable to borrow against residential property values during the boom; and unemployment remains low and falling. The corporate sector is more exposed to high interest rates and falling stock prices; even so, corporate liquidity remains above its levels of the early 1980s.

International side-effects

Slow rather than no growth remains the more probable outcome for Japan this year. But the international side-effects of this domestic slowdown are great. Domestically, the credit squeeze may be confined to the financial sector. But the unwillingness of Japanese banks to lend, and their need to contract assets to meet international capital standards, is starving world financial markets of new capital. Nor can an export-orientated economy like Japan ignore the effects of its domestic policies on its main trading partners. Japan's trade surplus has doubled over the past year, owing largely to falling imports.

Yesterday's fiscal package will have done little to raise import demand. But if easing trade tension was the aim, yesterday's fiscal package was a modest step in the right direction. It offered no new spending on top of the modest increase in spending already agreed; its effect on growth this year will be modest. But by bringing this forward to the first half of the fiscal year, it suggested there may be more money in the pipeline. A shift towards more public spending, and less public saving, is the most effective way to reduce the trade surplus.

Robust domestic demand growth is also a prerequisite for smooth US-Japanese relations. The best way to spark recovery is to cut interest rates. A cut of less than one percentage point will not suffice; and Mr Mieno must be willing to cut rates again. An independent central banker is better than a politically compliant one; but there is no merit in being independently wrong.

A package that fails to please

Steven Butler asks whether Japan's spending proposals can boost the economy

The verdict on the Japanese government's package of emergency economic measures announced early yesterday could hardly have been more swift or more clear. As investors gradually absorbed the details of the package, the stock market fell 323.36 points to finish the fiscal year at a new five-year low of 19,345.95 on the Nikkei index.

The market was also unimpressed by reports that Japan's official discount rate would be cut by 0.75 percentage points this morning to 3.75 per cent. With manufacturing inventories bulging and capital spending being cut, many economists believe that even a steep cut in rates would not encourage fresh corporate borrowing.

The government's package, aimed at stimulating the economy, did not dispel the deep sense of pessimism which has tightened its grip on Japanese financial markets; it merely reinforced fears that no one was riding to the rescue.

In spite of cries of anguish from the financial industry, burdened by trillions of yen of bad debt; in spite of plunging property prices, collapsing profits of manufacturing companies, steep cuts in manufacturing investment, falling industrial output, and weakening consumer spending; in spite of all this, the Japanese government does not believe the economy is suffering from much more than a lack of confidence.

The government is accelerating public infrastructure investment by spending 75 per cent of the annual budget in the first half of the year. Yet the programme includes not a single yen of previously unbudgeted money. Economists could find only a maximum of two trillion yen (about £9bn) of spending – amounting to less than half a per cent of gross national product – moved from the second half of the year to the first, and there is no commitment as yet to fill in the spending gap in the second half of the year.

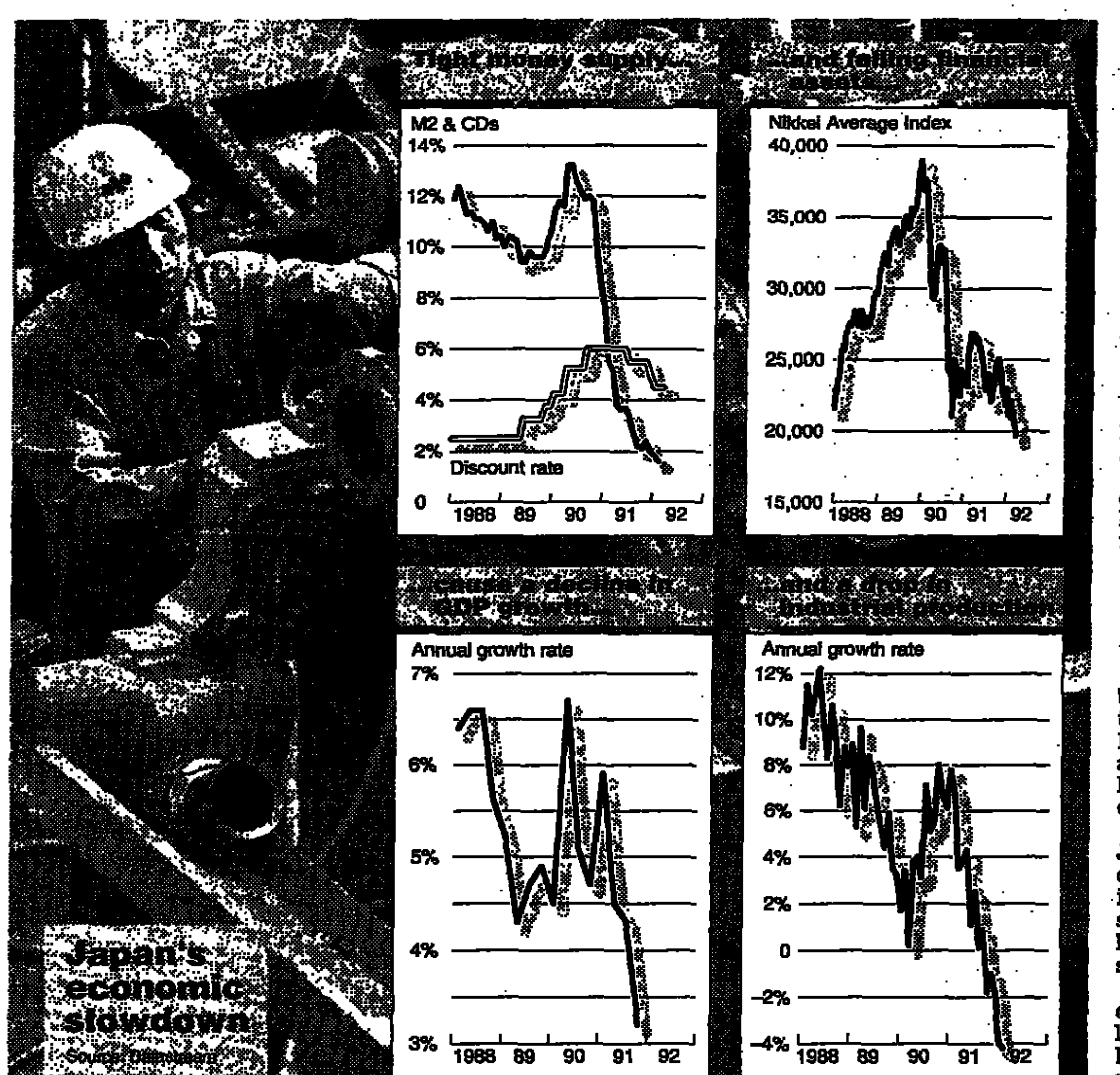
In announcing the package, the Economic Planning Agency, which co-ordinates government economic policy, argued that employment, consumer spending and even corporate profits remained strong. The agency said it was merely trying to prevent a psychology of pessimism from spreading throughout the economy.

But is the government right? Is Japan's underlying economy strong in spite of the deep depression among financial and manufacturing industries? The fall in capital spending, industrial output and the cooling of consumer spending, it maintains, are a necessary and even healthy response to the rampant asset inflation of the 1980s "bubble economy".

Or has Mr Yasushi Mieno, the central bank governor, squeezed too hard and too long in efforts to dampen inflation by means of high interest rates, now at 4.5 per cent, and thereby caused an unnecessary slowdown in the economy?

A great deal is at stake. Japan's trading partners are growing increasingly annoyed at Japan's huge trade surpluses. As the US and European economies try to climb out of recession, they will not want to see depressed import demand from Japanese consumers, the main cause of the rise in the trade surplus over the past year.

The strongly negative reaction of the US government to the stagnation of US semiconductor sales in Japan, announced on Monday, could be a taste of much nastier things to come, particularly in industries such as cars or electronics. It is, therefore, important not only to Japanese companies and shareholders but also to the world trading system that the government comes close to its growth target of 3.5 per cent this year by reviving domestic demand. This, however, is looking less and less realistic.



The roots of the current slowdown lie in the enormous expansion of the Japanese economy in the late 1980s. The fall in the official discount rate, the rate at which the central bank lends to commercial banks, to a low of 2.5 per cent during 1987 and 1988, together with a rising stock market, meant that corporations were able to raise funding at almost no cost, contributing to an asset price boom.

Mr Mieno began to raise interest rates in 1989 to pierce the bubble. The stock market first buckled in early 1990 and land prices have fallen steeply since then, leaving banks and companies with poorly secured loans and accumulating bad debts.

It seemed that he had successfully steered a delicate course – puncturing the asset price boom and bringing down consumer price inflation, yet having little impact on economic activity. The current slowdown, however, suggests that such a positive diagnosis may have been premature.

As a series of unexpectedly weak statistics over the past month has shown, the economy is now in pain:

- **Industrial output.** Industrial production declined in February for the fifth month running on a year-on-year basis. Factory output was 4.2 per cent lower in February than a year ago and 0.6 per cent less than in January. Production is being pushed down because manufacturers have accumulated inventories of unsold goods. The adjustment process of bringing down those inventories has begun. Inventories fell by 1.4 per cent from January after months of build-up, but they remained 10 per cent higher than a year ago in February.
- **Money supply.** Japan's money supply growth has fallen to historic lows for three months running, with broad money (M2 plus certificates of deposits) expanding by just 1.6 per cent in February. The growth rate has been distorted by a flight of money into postal savings, which are excluded from the definition of broad money. Nonetheless, even on its widest definition, credit growth has fallen well below the central bank's projections. A collapse of demand for funds from the corporate sector is what lies behind the exceptionally weak numbers.
- **Consumer spending.** Consumers have money in their pockets, but they are not spending it as actively as they were up until last autumn. Store sales have generally been flat to slightly negative year-on-year.
- **Bank assets.** Banks may be shouldering up to Y20,000bn (£87bn) in bad and doubtful debts, much of which is secured by property that has plunged in value. The true size of the problem is impossible to gauge because, under bank regulations, the banks are not required to report the figure or cover it with provisions.

With the commercial banks' reserve capital eroded by the stock market plunge, banks could struggle to meet the 8 per cent capital-to-asset ratios specified by the Bank for International Settlements, which take effect next year. The need to meet this ratio is creating difficulties for the banking system and many weaker banks may face a crisis. Most banks are being forced to reduce their asset base, and to be exceptionally cautious about extending new credit.

One obstacle to an autumn recovery is that banks will encounter problems providing the necessary finance for expansion. Even sound but not cash-rich companies may then find it hard to borrow.

All this evidence would appear to point to an economy with serious difficulties in many sectors. Compared with the scale of the problems, the government's package of fiscal measures intended to stimulate the economy looks inadequate, unless it is followed by a supplementary budget to boost domestic growth. Economists yesterday were talking of the need for a stimulus of Y5,000bn-worth of public spending.

The government may, however, be proved right in its belief that the economy is not as deeply troubled as it might appear. "Recession" in Japan certainly looks nothing like its counterpart in the UK or the US where the cost in unemployment, house repossessions and failing businesses is high. As the Japanese economy steadily has weakened over the past year, 1.4m jobs have been created. Unemployment in February declined by a 0.1 percentage point to 2 per cent. Nationwide there are still about 1.25 jobs for every applicant. However, this ratio has dropped over the past year, and many companies have cut overtime.

Economic hopes are pinned on a recovery of consumer and business confidence and spending. Consumers are not burdened by heavy debts as are their counterparts in the US and Europe. Corporate liquidity, profits and capital investment plans are low only by the inflated standards of recent years.

The Long Term Credit Bank of Japan this week projected an 8.2 per cent decline in manufacturing investment in the fiscal year starting today. Nonetheless, in the larger service sector, investment is set to rise by 4.5 per cent.

On balance, this is not the picture of an economy on the verge of collapse. Economists at Salomon Brothers, the securities house, are more pessimistic than most observers; but even they project positive growth of 1.3 per cent in the coming fiscal year with no further fiscal stimulus. Should the government adopt a Y5,000bn supplementary budget in the autumn, which it could afford, annual GNP growth would rise considerably faster than that.

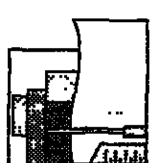
Whether growth stays above 2 per cent depends to a large extent on what the Japanese government and the central bank wish to achieve. Mr Mieno, with good reason, has chosen so far to stamp on inflation while risking slower economic growth. But the longer monetary policy remains tight, the greater the risk that he will push deflation too far. Mr Mieno and his colleagues in the government are likely to find that the dangers of a sharply slower economy are now far greater than any possible resurgence of inflation.

If Mr Mieno cuts interest rates today, as expected, he will have made the probability of a sharp contraction in the economy less likely. But a further easing of monetary and fiscal policy may well be needed before he, and his political masters, can be sure that the threat has disappeared.

PERSONAL VIEW

One, two pull together

By Sir Peter Parker



As election day approaches, the polls continue to suggest that a hung parliament in which all parties become minorities will be the most likely outcome. This would mean that the result which may be most favoured by Financial Times readers, that of an overall Conservative majority, will not be on offer – and a Conservative government is the one with which the markets have traditionally felt most at home.

I do not favour a hung parliament, and I know that I am not alone in the ranks of industry and commerce in taking this view.

However, in a situation where the electorate decides to deny any party overall power, it is incumbent on those of us engaged in wealth creation to think hard what would then be best for us. The preferred solution for short- and long-term benefits would be a stable coalition.

Consider the alternative. A hung parliament could result in chronic instability: a minority government trying to go it alone for a few months in a desperate bid to conjure legitimacy out of office rather than from the voters; a second election within months and continuing crippling uncertainty for markets, investment and consumer spending.

John Major has already noted that vital economic decisions, by companies and shoppers, are being postponed until after the election. That paralysis would become much worse with a second election continually just around the corner, and no assurance that even then the voters might not decide on a replay. The end of the recession would be further delayed with damaging consequences for those companies hanging on by their fingernails.

The temptations to play for time for a short period until the Queen can decently be asked for a second election are considerable in a system of government which Lord Hailsham described as an "elective dictatorship".

I believe the markets fear this scenario most of all. Were the fear to spread, sterling could be put under great pressure. This, taken together with events in Germany and the uncovenanted rise in the UK public sector borrowing requirement, could force an interest rate increase. A minority government might find that such an increase becomes an indispensable hostage to be given to uncertainty.

But a hung parliament does not have to result in such a vicious circle of instability and uncertainty. Political leaders could behave with decent humility in the face of the fact that the electors have decided not to trust them with unfettered power. They could act responsibly as their counterparts do throughout continental Europe and resolve to create stability by sharing power. This may be difficult in an adversarial political culture after a bitter election, but it is not impossible.

A stable partnership government or coalition, working to an agreed programme over a period of, say, four years could offer an attractive climate for business and personal investment. The more excessive policies of the senior partner, for instance Labour's high marginal tax rates and its minimum wage, or the Conservative refusal to invest adequately in education and training, could be reversed. There would be less legislation, and what there was would be of higher quality.

Nothing can remove the difficulties of governing in a complex modern society but at least such a partnership government would have the authority of most of the electorate behind it; and could avoid follies such as the poll tax which resulted from an exercise of power without formal limits.

The natural junior partners in such an election are the Liberal Democrats, who seem likely to emerge from the election with Paddy Ashdown's authority enhanced, more than one fifth of the vote and more than 20 seats.

Proportional representation – the Lib Dems condition for participation in a partnership government – would have a special advantage. It would open the door to a modernisation of our democracy, making Westminster and Whitehall more like our best companies: open, communicative and capable of getting the best out of people rather than being closed, secretive and ultimately incompetent. Many business leaders have supported the introduction of PR, including the Confederation of British Industry Conference just before the government came to office. What they seek is the stability which comes from governments' being forced to listen and to adopt evolutionary rather than revolutionary change.

So when we ponder our response to a hung parliament let us remember that what happens afterwards depends on the politicians, and on the pressure the public puts on them. They could chose confusion and instability, and we would all pay the price; or they could settle down to make parliament viable and stable good government possible. I have no doubt which would be best for business, and ultimately for all of us.

The author is chairman of Mitsubishi Electric (UK). He was chairman of British Rail from 1976-83 and is a Liberal Democrat supporter.

Edward Mortimer

Islam and integration

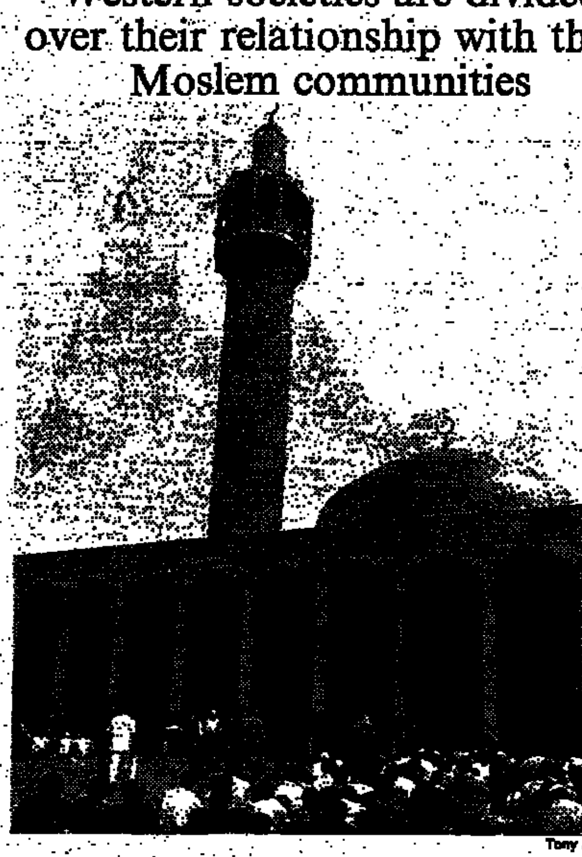
FOREIGN AFFAIRS

Western societies are divided over their relationship with their Moslem communities

No one seems to know exactly how many Moslems there are in Britain. Probably not more than 1m, but they are unevenly spread. In Birmingham, they make up 10 per cent of the population. Yet even Birmingham will not have a single Moslem MP in the next parliament. No political party in this election has adopted a Moslem candidate for a winnable seat.

Stop, stop. Don't turn the page. This is indeed the Foreign Affairs column. But the subject of Moslem communities in western countries is, *par excellence*, one where foreign and domestic affairs overlap. This became clear over last weekend during a fascinating conference on the subject at Ditchley Park, the international affairs seminar centre.

The existence of such communities is a relatively recent phenomenon, going back only a generation or so. Their members, even when born in and citizens of their present country of residence, are still generally perceived by the rest of the population as "immigrants". Moreover, they belong, for the most part, to ethnic groups which are easily distinguishable from the majority population by their physical appearance. One of the unresolved questions is whether they should not be classified as ethnic or religious minorities. It was argued, especially by French participants, that to insist on their Moslem character tends to reinforce their ethnic separateness – to force them into a ghetto – by superimposing on them a largely artificial religious identity.



Tony Andrews

Worshippers at the mosque in London's Regent Park

Only 6 per cent of Arabs in France, it was claimed, regularly attend mosques. If asked, they will no doubt identify themselves as Moslems, but they should not be asked. In fact, the French census carefully avoids asking such questions. One French specialist even asserted that in order to integrate these people into French society, it was necessary to "disintegrate" their separate communal identities. They should be treated just as Jews were in the French Revolution, according to the formula of Clermont-Tonnerre: "All rights for the Jews as individuals, nothing for them as a nation."

One might think that an individual schoolgirl would have the right to wear a headscarf at school if she (or her parents) so chose. Not so. This, we learned, was not an individual gesture. It was a deliberate challenge to the authorities by an organised group seeking to claim leadership of the "Moslem" community and to oblige the state to negotiate with it. Had one girl been allowed to wear the headscarf, others would have followed the fashion, and it would have become a badge of ethnic identity, marking off the Moslems from their fellow citizens. As it was, the state stood firm and the mass of the Arab population accepted its decision.

There spoke *la république une et indivisible*. We Anglo-Saxons listened, and gulped. Most of us felt that, for once, we had managed this matter better in England. Here, after all, we have never fully separated religion from the state. We have an established church, which once aspired, in the days of the 17th-century theologian Richard Hooker, to include "every man that is of the common weal", but which long since came to terms with the fact that it has to co-exist with other religious communities and to share with them, even if unequally and grudgingly, the goods that the state has to offer. Thus there is no absolute distinction between church schools and state schools. They overlap in the category of "voluntary aided schools", which have an explicit denominational character, yet are financed almost entirely from public funds. Most are Anglican, but Roman Catholic, Methodist and even Jewish ones can be found.

There is no grand Islamic design to attack the west, as some non-Moslems think, nor is there even any Islamic leadership capable of conceiving one

So why not Moslem ones? Faced with this question, the English consensus quickly broke up. Some of us began to think the French had a point after all. Remembering the divisive effects of separate denominational schools in Northern Ireland, we shrank from encouraging Moslems to educate their children separately. We even wondered about their reasons for wishing to do so. Was it not to maintain the control of men over women, and of self-proclaimed religious leaders over "the community" as a whole? Certainly they were entitled to equal treatment but perhaps, in the name of equality, it would be better to do away with church schools, or at least to force them into the private sector. (The French, we were told, had been prepared in the name of equality to forbid Jewish boys to wear skullcaps at school, although previously this had not been an issue.) Let the state school be a melting-pot *à l'américaine*, in which different cultures can be fused into something uniquely and splendidly British.

At this point, however, our American colleagues deserted us. The melting-pot, they said, had long since been abandoned. Different cultures should not be forcibly merged, but cherished as something that "enriched" a pluralist society. Admittedly, church and state are legally separate in the US, and therefore there are no state-funded church schools. But at one time there had been a serious question whether Catholic schools, in which a doctrine then seen as hostile to democracy would be taught, should be allowed in America at all. In the end they had been, and had proved to be, a great civilising and democratising influence. If Britain wished to integrate its Moslem citizens, it should show similar confidence, allowing them to take charge of their own children's education provided they accepted the national curriculum and educational standards set by the state.

On the whole I was convinced by this argument. We are unlikely to achieve a real *convivencia* between Moslems and non-Moslems if we continue to describe Islam as a problem. Of course, Moslems do have problems, and not all of them are of the west's making (although some are). Moslems have a lot of work to do in interpreting their own religion and applying it to the life of a modern democratic society in which the majority of their fellow citizens follow other faiths or none. They are certainly not helped by being associated, in the minds of those fellow citizens, with unpleasant foreign regimes which issue death sentences against British novelists, or with groups which blow up aircraft and take hostages.

Such events arise either from disputes among Moslems or as a reaction to western interventions in the Islamic world, but non-Moslems tend to see them as part of a grand Islamic design to attack the west. There is no such design, nor even any Islamic leadership capable of conceiving one. The Moslem community is already quite sufficiently disintegrated, in fact too much so. Greater integration among Moslems could help rather than hinder their integration into a pluralist western society.

Western states will not achieve that by identifying or imposing a religious leadership and making it responsible for the Moslem community, as was the practice of some Moslem states in the past when dealing with non-Moslem minorities. But political parties and other institutions might help if they made a greater effort to involve individual Moslems, and promote them to positions of responsibility. Young Moslem activists in Britain, we were told, felt "empowered" by Ayatollah Khomeini's *fatwa* against Salman Rushdie because for the first time it forced British society to pay attention to their views. There must be better ways for Moslems to win attention and a share of power than that.

LETTERS TO THE EDITOR

Number One Southwark Bridge, London SE1 9HL

Fax 071 873 5938. Letters transmitted should be clearly typed and not hand written. Please set fax for finest resolution

FT-SE 100 will remain UK-based

From Mr Peter Jones.

Sir, The impending floatation of GPA Group has publicly raised the issue of whether Irish Republic companies should be included in the FT-SE 100 Index. The Index Steering Committee (which was set up by the London Stock Exchange as an independent body comprised of investment practitioners to oversee the running of the FT-SE 100), recently confirmed long-standing practice that the rules should continue specifically to exclude non-UK companies; so Irish companies such as GPA Group, Jefferson Smurfit and Allied Irish Banks will not be included in the index.

The principle rule being questioned by Irish companies is that the FT-SE 100 should consist only of "companies incorporated and registered for tax purposes in the UK". The Irish companies' intention is clear – they wish to improve the marketability and value of their shares and believe that entry to the FT-SE 100 will achieve this.

Yet the FT-SE 100 was specifically, and very deliberately, designed to be an indicator of the performance of the UK market. The change of rules needed to to allow non-UK companies to enter the index – whether Irish, American or Japanese – would be a fundamental change to the design of the index.

The FT-SE 100 measures the performance of the UK's largest 100 companies and is widely used by portfolio managers worldwide in measuring the performance of their UK assets and in managing their portfolio risks using futures and traded options on the index. It is not the only UK index – it is widely used in conjunction with the FT-A All Share Index which represents the performance of a larger proportion of the UK market. Both indices are focused on the UK market and neither index includes Irish companies.

Neither index does so because they are used by portfolio managers to monitor their UK sterling denominated funds. Portfolio managers do not include Irish companies in their UK funds and they will not slavishly follow the decisions of the steering committee in deciding which stocks to hold in such portfolios. Most institutional users of the FT-SE 100 are not passive index trackers but are either active fund managers focused on the largest UK securities or are trackers of the wider based FT-A All Share Index.

What use is the FT-SE 100 with overseas additions (Irish or any other) to a portfolio manager wishing to measure the performance of the largest companies within his UK fund or who wishes to use the FT-SE 100 futures and options to hedge his UK position?

All other major indices make a clear distinction between UK and Irish companies – even so far as to group Irish companies with continental Europe rather than the UK when calculating the performance of the two major blocs within Europe; namely, UK and Europe excluding UK.

While the committee understands the motives and the intentions of Irish companies wishing to be included in the FT-SE 100, it has no intention of turning the FT-SE 100 into a UK index with selected international additions.

Peter Jones,
chairman,
FT-SE 100 Steering Committee.
Stock Exchange,
London EC2

Many in US fear the prospect of trade 'free riders'

From Ms Margaret S Wigglesworth.

Sir, Your recent coverage of US initiatives in the Gatt services negotiations has left many of us here in America wondering aloud whether our years of vocal support for liberalised trade have been heard.

The US service sector remains a steadfast supporter of the Uruguay Round negotiations, and has never waivered from its goal of a strong multilateral agreement that assures markets will be open for service providers to compete on a fair and equitable basis.

Under the structure of the services agreement contained in the so-called draft "Final Act", the degree to which it assures open markets depends on the commitments inscribed in the contracting parties' schedules. The services agreement, unlike the Gatt itself, does not assure national treatment or end quantitative restrictions, and does not even presume that foreign providers have a right to compete in other markets. Market access commitments offered by individual countries are the only means of securing these and other trade liberalising results.

Compared with the markets of many other countries, the US is largely open for business. Commitments to match our openness in services have not been forthcoming, and we are faced with the prospect of what is referred to here as a "free rider" problem. Free riders are countries which would enjoy the benefits of an open US market, but make little or no commitment to open their own markets. Under these conditions, unless the US removes some sectors from the unconditional Most Favoured Nation obligation that forms the basis of trading relationships under the Gatt, the final General Agreement on Trade in Services, or Gats, will perpetuate that inequity.

The US list of MFN exemptions has proved too tempting a target for other country negotiators who would seek to shift the blame for stalling the talks to the US. In fact, the US exemption list is a surprise to no one, and represents only our government's response should *no* commitments be forthcoming.

The US private service sector will continue to push for market access commitments from our trading partners. We want liberalised trade, and we would welcome market access negotiations to reduce the list of exemptions. But we cannot and will not support a Gats agreement that fails to achieve real market access. It would serve neither the interests of the global trading system, nor those of US business.

Margaret S Wigglesworth,
executive director,
Coalition of Service Industries,
1101 Pennsylvania Avenue NW,
Suite 610, Washington DC 20004

Mythology of NHS

From Mr John Booth.

Sir, Is it not possible finally to dispel the mythology of National Health Service deficit funding?

From 1946, through Bevan as minister of health, the Labour government implemented the report on Social Insurance & Allied Services by W H Beveridge, Cmnd 6404 1942. In paragraph 27, the post-war inflation rate was determined at plus 25 per cent on 1938 prices. The actual increase was made at 31 per cent (held at the cost of living above pre-war).

The Beveridge increase was based on the 1914 Cost of Living Index, long outdated, and replaced in 1946. The subsequent Treasury review showed that, using the old 1914 index, 1946 prices were 54 per cent above pre-war. Ignoring the new (1946) index, the deficit has always been minus 23 per cent.

John Booth,
4a Lawn Road,
Lymington,
Hampshire SO41 8HG

More in the cabinet

From Mr David Howell.

Sir, David Marsh's report, "True Blue shires" (March 28), is wrong. John Biffen is not the only member of Mrs Thatcher's 1979 cabinet standing for re-election.

What about Michael Heseltine and David Howell?

Michael Jopling and Norman Fowler were also "invited to attend" the 1979 cabinet, although not full members at the outset.

David Howell,
parliamentary candidate,
Guildford constituency,
63 Woodbridge Road,
Guildford, Surrey GU1 4RD

OBSERVER

Defence on the offensive

■ Volker Rühe's elevation to German defence minister may have come a little late for his good friend Chris Patten. For Rühe, a former English teacher who was to be seen last week campaigning in the Conservative party chairman's wobbly home seat of Bath, will be of little use to Patten in the event of an April 9 upset.

Nearer to home, the secretary-general of Helmut Kohl's Christian Democrats, who has garnered a reputation for ruthless political in-fighting, may be making foreign minister Hans-Dietrich Genscher turn sour for quite a different reason.

Rühe has made little secret of the fact that he is after the job Genscher has had since 1974; he loses few opportunities to snipe at his rival.

Making do with second-best for now by taking the poisoned chalice of defence – five previous incumbents, including Gerhard Stoltenberg, have had to resign prematurely – there is no doubt he will use the post in his campaign to clip Genscher's wings.

Ironically, it was probably Free Democrat party leader Genscher who whipped up the issue of German arms supplies to Turkey which has now toppled Stoltenberg. His reward is having to contend with Rühe across the cabinet table – in place of his affable but ineffectual predecessor.

Screen betting

■ Let's hope that financial futures boffin Compton Hellyer has more luck with his latest sporting venture than he had with his horse – Docklands Express – in the last Grand National. It fell at the first fence.

Hellyer, who is even madder about sport than about his beloved financial futures, has come up with a spiffing wheeze to keep city dealers glued to their Reuters' screens. He is backing a couple of young thrusters – Angus Hamilton, 25, and Richard Thomas, 27 – who have set up Sporting Index. Specialising in spread betting, which differs from fixed-odds betting in that it enables a punter to bet either way on a result or score, the new bookies will offer regular spread prices on all major sports. Prices will be carried on a page (Spio) on the Reuters screen.

However, young Hamilton is balking at giving a price on Hellyer's Docklands Express in Saturday's Grand National. Whoever heard of a bookie worried about conflicts of interest?

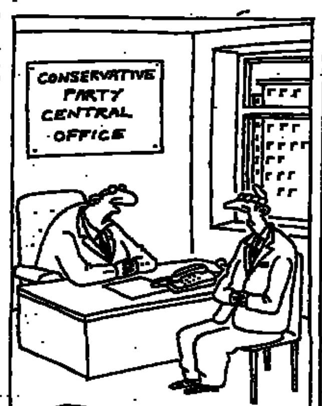
PJ on board

■ Guess what? Guinness Peat Aviation, the world's largest aircraft leasing company, has added yet another well-connected politico to its pay roll. Not content with signing up such heavyweight names as Nigel Lawson, Garret Fitzgerald, and Peter Sutherland, GPA founder Tony Ryan has just hired Charlie Haughey's old pr man – PJ Mara – as his new media relations adviser.

As Haughey's press secretary for the past five years, Mara played a key role in Haughey's surprisingly long existence as Ireland's prime minister. However, even his legendary skills were not enough to prevent Haughey being forced out of office following a mounting series of financial and political scandals.

PJ, as he likes to be known, is the consummate spin-doctor. He managed to keep his boss one step ahead of the baying hounds of the press corps, putting them off the scent with humorous, in-depth, off-the-record briefings, and even in Haughey's darkest hours managed to maintain a sense of *bonhomie* between his government and the fourth estate. He proudly recaps by saying: "I never told a lie".

Nevertheless, it's a strange appointment. A bit like putting Sir Bernard Ingham, Mrs Thatcher's old mouthpiece, in charge of British Airways' public relations.



"If we're going to sell a positive policy we'll need to buy one first"

Last man off

■ Still on the subject of where are they now. I see that Peter Lucas has finally abandoned the board of Bond Corporation, Alan Bond's old flagship.

Lucas, a lawyer, first joined Bond Corporation in 1971. Although he had a long spell off the board between 1976 and 1985, he was one of the loyal lieutenants who followed the great deal-maker around the world picking up the pieces. However, he shot to prominence when he took over as chairman following Bond's resignation in September 1990. His job was to calm the company's creditors, and the anxious Australian regulators, while a debt-for-equity swap was arranged with bondholders owed more than A$1bn. It was his emollient approach, more than Bond's posturing, which kept the group afloat long enough for the scheme to be put in place.

His departure removes the last link with Bond Corp's happier days. Bond himself faces both criminal charges and bankruptcy proceedings, and Peter Beckwith, his former right-hand man, died two years ago. Lucas's office says there was "nothing sinister or sensational" about his departure. He probably has nothing left to do.

Yogi Park

■ If the Maharishi Mahesh Yogi's Natural Law Party fails to win a seat in Britain's general election, his transcendental meditating supporters can at least look forward to a break in their very own theme park, soon to be built – barring acts of God, presumably – on the banks of Niagara Falls.

Well-founded reports suggest that the Yogi is teaming up with a Canadian magician, Doug Henning, to construct a 1,400 acre theme park, costing C$690m and ready to open in three years' time.

The main promise of the park is to provide "enlightenment, knowledge and entertainment", though with a planned 6m visitors annually and an entrance fee of some $20, more mercenary motives might be suspected. Today the House of Commons, tomorrow the White House?

Sunk

■ What's the difference between a buffalo and a bison? You can't wash in a buffalo.

FINANCIAL TIMES
Wednesday April 1 1992

Mitterrand summons top-level meetings as pressure on Cresson mounts

French premier clings to office

By Ian Davidson in Paris

FRENCH president François Mitterrand yesterday declined to announce the widely expected resignation of Mrs Edith Cresson as prime minister and the formation of a new government.

Mr Mitterrand interrupted a busy ceremonial schedule to hold a series of meetings with ministers and close political advisers. In between the inauguration of an exhibition of Viking art, a lunch for Queen Margreth of Denmark, and a meeting of the High Council of the Francophone countries, the president met Mrs Cresson, after which the prime minister flew off to open the Hanover trade fair.

French commentators are unanimous that he has no option but to replace Mrs Cresson, after the Socialist party's big defeats in the regional and departmental elections.

But they also agree that the choice of a successor is critical, since Mr Mitterrand could not change his prime minister again before the general elections a little over a year from now. Whoever takes over now, therefore, must be able to sustain confidence in the government, and if possible restore popularity.

One of the few candidates capable of such a feat might be Mr Jacques Delors, president of the European Commission, who is immensely popular in France. But his spokesman made clear on Monday that he was committed by his present responsibilities until the end of this year, and therefore not available.

French finance minister Pierre Bérégovoy – favourite to succeed premier Edith Cresson

The most noted visitor to the Elysée Palace yesterday was Mr Pierre Bérégovoy, the finance minister, who is commonly tipped as favourite to succeed Mrs Cresson. As if to advertise the success of his economic policy and his qualifications for promotion, Mr Bérégovoy yesterday issued optimistic new economic forecasts to the effect that the French economy would grow by 2 per cent this year, and by 2.6 per cent next year. This, he said, would be 0.3 percentage points higher than the European average for both these years.

Mr Mitterrand also received Mr Roland Dumas, foreign minister and one of the president's oldest associates, Mr Laurent Fabius, Socialist party leader, and Mr Pierre Mauroy, his predecessor as party leader.

Meanwhile, the full ramifications of the defeat suffered by the Socialist party in the regional elections 10 days ago are becoming more and more apparent.

In the northern region of Nord-Pas-de-Calais, the Socialists' historic fortress and one of only two regions where it previously had a governing majority, the Socialist party was forced to concede the council leadership to a member of the Green ecological party, as the only way to keep out the conservatives.

An important factor was the proportional representation voting system which ensured that the new councils would be split between many different parties.

In many cases it has proved difficult to put together governing majorities. Mr Brice Lalonde, the environment minister and leader of the Génération Ecologie party, said yesterday he was so disgusted by the manoeuvring that he would not join the next Socialist government.

In Nord-Pas-de-Calais Mrs Marie-Christine Blandin became the first woman and the first ecologist to head a regional council; but since her Green party group only musters eight members, compared with the 27 Socialists and 15 Communists who also voted for her, it is difficult to see how she can stay on top.

UN imposes sanctions against Libya

By Michael Littlejohns, UN Correspondent in New York and Agencies

THE United Nations Security Council last night voted for a showdown with Libya – deciding to impose sanctions from April 15 unless it hands over the two alleged Lockerbie bombers.

Ten countries including Britain, the US, France and Russia backed the punitive measures, but as many as five others, among them China and India, abstained.

Libya's ambassador to the UN, Mr Ali Elhouderi, said he feared the UN move was paving the way for new air attacks on Libya as in 1986.

The sanctions will mean that all Libya's air links will be cut off, arms sales to the Libyans will *be banned and Libyan embassy* staff around the world will have to be cut. But the UN move would not mean an oil boycott or block most other trade with Libya, although there will be a ban on shipment of aircraft and parts to the Libyans.

This is only the fourth time that the Security Council has imposed sanctions, the earlier cases being against Rhodesia, South Africa and, most recently, Iraq.

The relatively large number of abstentions in the 15-member Security Council reflected the view that western powers were in too much of a hurry and ought to wait for an interim ruling by the International Court at The *Hague. The court is considering a* complaint brought by Libya against the US and Britain.

Apart from China and India, the other abstainers were Morocco, Zimbabwe and Cape Verde.

Sir David Hannay, the UK delegate, stressed that if Libya complied with the UN demand to hand over the Lockerbie suspects for trial in the US or Britain, sanctions would be unnecessary.

Libya will still have until April 15 to hand over the two men, accused of masterminding the bombing of the Pan Am jet that exploded over Lockerbie in Scotland in December 1988 with the loss of 270 lives.

The UN is also demanding that Libya co-operate with an investigation into the bombing of a French UTA jet over Niger in *September 1989, in which* 171 people were killed.

In a warning to the Libyans, *Sir David Hannay said any* restraint on foreign nationals who wished to leave Libya would be regarded "with the utmost seriousness".

The Foreign Office in London, echoing reports from European embassies in Tripoli, said several people had been refused exit visas in the last 10 days.

But Mr Elhouderi denied that Libya was holding foreigners against their will. "It is truly a baseless allegation," he said.

The ambassador claimed that Libya had complied with the earlier UN resolution demanding its co operation in the Pan Am and UTA inquiry and charged that its efforts had been deliberately aborted by the other parties *involved.*

Lonrho broker quits, Page 22

Recession, Japanese-style, still looks very much like business as usual

Drinks on the company go but few are jobless, writes Robert Thomson

THESE ARE meant to be tough times in Tokyo. The government yesterday released an emergency economic package, companies have called crisis meetings, executives have taken salary cuts, and workers have received solemn lectures on the need for increased diligence and discipline.

But in the streets of Akasaka, the business and nightlife district in central Tokyo, the restaurant windows carry handwritten pleas for part-time staff.

"The trend is very serious. We are very worried," explained an *accountant for a Japanese life* insurance company, his right hand wrapped around a *mizuwari*, the standard issue whisky and water. Asked how the "crisis" had hurt his family, he instead lamented the decline of Japan as an economic power, the laziness of young Japanese and Japanese politicians' lack of morality.

For the average Japanese, the economic "crisis" is talked about on television, but not seen on the streets. There are an average 1.25 jobs available for each job-seeker, and unemployment fell by from 2.1 per cent to 2 per cent in February. Fast-food restaurants are starved of staff, while owners of small factories are lobbying the government to allow more foreign "trainees" to work their lathes and drive their trucks.

Land prices are reckoned to have fallen by 30 per cent over the past two years, but there is no mortgage repayment crisis for middle class Japanese. Some apartment developers are in pain, but first-time home buyers are still daunted by the Y55m ($416,000) needed to buy a reasonable two-bedroom apartment within 90 minutes of the central business district.

Household savings are 6.5 per cent higher than a year earlier at an average Y11.28m, so there is money in the bank, though consumer electronics and car makers are concerned by a new-found fondness for secondhand prod*ucts. Used car sales have risen as* new car sales have fallen over the past year, and a secondary market appears to be emerging for the video cassette recorders and television sets traditionally tossed out on the regular "big rubbish" night.

Japanese may not be living the "crisis", but corporate Japan is certainly worried about about it. *Business magazines, always keen* to spot trends, have identified three cost-cutting Ks – *kokoku, kosai* and *kokusai*, the reduction of expenses in advertising, entertainment and international business.

The love of numbered lists has deep roots in Japan, and until now the talking point was a separate set of three Ks describing the type of work avoided by picky, younger Japanese: *kitanai, kiken* and *kitsui* – dirty, dangerous and difficult.

Advertising is down, with a survey by the Ministry of International Trade and Industry (Miti) showing an 8.6 per cent decline on last year. Dentsu, the largest agency, said the cuts corresponded with industries' fortunes, with slower demand from the finance, electronics and real estate sectors, and stronger orders for personal items such as cosmetics and clothes.

At Daikyo, the leading builder of apartments in Tokyo and a prominent victim of the property market slump, an internal review of costs has begun. But the com*pany's vice-president, Mr Katsu*hiko Muramoto, said advertising "remains important for us", although the company is buying less space simply because it is building fewer apartments.

"It is a tool for developing our business, but we have to use it in an efficient manner," Mr Muramoto said. "We are reducing all kinds of waste. We don't have a *set plan to cut entertainment* expenses by, say, 10 per cent, but we are looking for ways to save."

Several groups have chosen to save money by cutting executive salaries. At Minolta, the camera company which will report its first loss in 27 years, directors have taken a 10 per cent pay cut and executive directors 20 per cent. The chair*man and president of Matsushita* Electric Industrial, the electronics company, are taking a 50 per cent reduction for three months.

Down in Akasaka, there is genuine concern about the fate of the furious, company-subsidised drinking that lubricates the Japanese economy. A leading business magazine asked last week whether the business slump will mark "the end of entertainment heaven" for executives and bar owners.

Most of the evidence is anecdotal but luxury club owners say their business is down 20 per cent this year, and golf club membership dealers report sluggish trading on their secondary market, which has mirrored the plunge of *the Tokyo stock average.*

However, the National Tax Agency reports that in the year to end January, entertainment costs rose 13 per cent to a record Y5,620bn, just above the Y5,610bn budgeted for education this year.

As for the third K, *kokusai*, or international expenses, financial institutions have delayed opening new foreign branches, while Jap*anese investment capital has* come home after the massive outflows of the late 1980s. But companies are reluctant to admit to a lower international profile, though it is generally agreed that corporate sponsorship of foreign art galleries, car racing, and the like, is declining.

The common person's "international" expense, tourism, is *apparently* untouched by recession, as the number of travellers has climbed above the record levels of pre-Gulf war days.

World Weather

		°C	°F			°C	°F			°C	°F			°C	°F			°C	°F			°C	°F
				Boulogne	F	9	48	Frankfurt	S	13	55	Madrid	F	7	45	Nicosia	C	17	63	Tenerife	F	19	66
				Brussels	F	7	45	Geneva	Sn	1	34	Majorca	F	14	57	Oporto	F	12	54	Tokyo	S	18	64
				Budapest	C	14	57	Gibraltar	S	15	59	Malaga	F	16	61	Oslo	F	3	37	Toronto †	S	-1	30
Ajaccio	C	16	61	Buenos Aires	F	25	77	Glasgow	R	4	39	Malta	S	19	66	Prague	S	10	50	Tunis	S	25	77
Algiers	C	13	55	Cairo	F	20	68	Helsinki	F	1	34	Manila	F	35	95	Reykjavik	F	4	39	Valencia	F	15	59
Amsterdam	F	11	52	Cape Town	C	20	68	Hong Kong		–	–	Melbourne	F	23	73	Rhodes	F	16	61	Venice	R	11	52
Athens	S	17	63	Caracas	C	30	86	Innsbruck	F	13	55	Mexico City	F	27	81	Rio de Janeiro	C	37	99	Vienna	S	15	59
Bahrain	C	25	77	Casablanca †		–	–	Inverness	R	5	41	Miami †	S	22	72	Rome	F	16	61	Warsaw	F	9	48
Bangkok	F	35	85	Chicago †	S	2	36	Islamabad	F	26	79	Milan	R	9	48	Salzburg	S	15	59	Washington †	Dr	8	46
Barcelona	F	13	55	Cologne	S	13	55	Istanbul	S	11	52	Montreal †	C	1	34	S'Francisco †	S	10	50	Zurich	F	11	52
Beijing	C	14	57	Copenhagen	C	5	41	Jakarta	R	31	88	Moscow	R	3	37	Seoul	F	19	66				
Beirut		–	–	Corfu	F	16	61	Johannesburg	S	24	75	Munich	F	16	61	Singapore	F	31	88				
Belfast	R	4	39	Dallas †	S	7	45	Lima	F	28	82	Nairobi	F	29	84	Stockholm	F	3	37				
Belgrade	F	19	66	Dublin	R	4	39	Lisbon	R	13	55	Naples	S	17	63	Strasbourg	F	12	54				
Berlin	S	12	54	Dubrovnik		–	–	London	R	9	48	Nassau	C	28	82	Sydney	C	22	72				
Biarritz	F	12	54	Edinburgh	R	5	41	Los Angeles †	F	12	54	New Delhi		–	–	Taipei	C	22	72				
Bombay	S	31	88	Faro	F	14	57	Luxembourg	C	6	43	New York †	C	6	43	Tangier	C	15	59				
Bordeaux	C	9	48	Florence	F	15	59	Madeira	S	19	66	Nice	T	10	50	Tel Aviv	F	18	64				

Temperatures at midday yesterday
† Noon GMT temperatures
C – Cloudy Dr – Drizzle
F – Fair Fg – Fog H – Hail
R – Rain S – Sunny
Sl – Sleet Sn – Snow
T – Thunder

THE LEX COLUMN

Speyhawk falls to earth

Speyhawk's warning that shareholders should not expect a dividend "for some time" looks like the understatement of the year. No doubt unintentionally, it brings to mind the final words of Captain Oates as he headed off into a snowstorm in the Antarctic – and remember what happened to him. Admittedly, if all goes according to plan, the bank restructuring trans*forms £70m of negative net worth into* a modest net asset position – so the company is not technically bust. But with a market capitalisation shrunk to only £500,000, the shares are for long-term contrarians only.

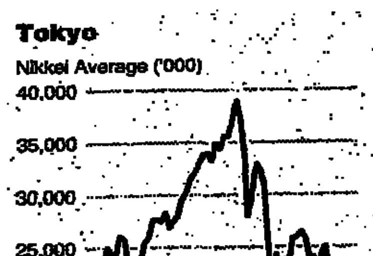
Investors will be more interested in the knock-on effects on a sector whose frailty is reflected by the fact that 20 per cent of property companies listed in the back of this newspaper are now *penny stocks. A few, like Sheraton,* have disappeared, but yesterday's events confirm the impression already gained through Rosehaugh, London and Metropolitan, Heron, and Olympia & York of bankers deeply reluctant to pull the plug.

The market is already aware of the scale of unwanted office accommodation in the City, but another company with banks in the driving seat can only further dent confidence and delay a recovery.

Speyhawk's writedown vividly demonstrates the particular vulnerability of the once high-flying trader/developers, whose assets are the difference between the potential cost of their sites and the potential value of selling them. Roughly half Speyhawk's portfolio is still unlet, which makes for especially devastating valuations in current conditions. Even so, shareholders are entitled to ask what assumptions were made when the balance sheet was drawn up a year ago.

Notwithstanding the efforts by the chairman, Mr Trevor Osborne, and colleagues to cut overheads, and the lack of alternative options for the lenders, they are also entitled to ponder the justice of management keeping *their jobs.*

FT-SE Index: 2440.1 (-12.8)



Japan

Judging by the failure of Monday's package of measures to reassure the equity market, Japan's politicians and central bankers are singularly unruffled by the domestic economy. They will have only themselves to blame if the measures fail to avert a financial crisis. The ¾ point cut in the official discount rate, which was expected last night, might yet provide small reassurance for equities, particularly if the new financial year gets off to a positive start today. But sentiment suggests investors are unlikely to rush in while the outlook for the economy is so uncertain.

By delaying the rate cut for so long, the authorities have left themselves in an uncomfortable position. If companies do not resume borrowing and spending soon, the economy will grow only slightly this year and could conceivably slip into recession.

With $114bn of corporate equity-linked debt due for repayment or refinancing by the end of next year, it is tantalisingly unclear whether lower rates and talk of easier regulations in the corporate bond market will have the desired effect on companies' confidence. The interest burden of new debt issuance would scarcely help earnings to recover, while higher yields on corporate bonds might attract money away from equities. There is little scope for further rate cuts. That leaves the option of a second attempt at a fiscal stimulus, but that is an unreliable tool as yesterday's market response appeared to indicate.

France

The French stock market has never liked Mrs Edith Cresson, so it is not surprising that equity prices have tended to rise as rumours of her resignation gathered pace this week. There is no change in the economic fundamentals, however, which are not encouraging. The National Accounts Committee trimmed its 1992 economic growth forecast to 2 per cent yesterday from 2.2 per cent, and even the new figure looks optimistic. Slower growth is pushing up the budget deficit, though it is still well within the Maastricht limits.

The market expectation is that Mr Pierre Bérégovoy will take over from Mrs Cresson if and when she goes. He is trusted with the defence of the franc, and there would be less risk of exchange market nervousness forcing an increase in short-term interest rates. But the problem for France, as for other ERM members, is that it now looks likely that German rates will stay high for the rest of the year. Even though French inflation is now nearly two percentage points lower than that of Germany, there is little scope for undercutting German interest rates, as last year's painful experiment showed. Nor is realignment the answer, if Mr Bérégovoy would ever permit it. The experience of 1987 showed it actually led to higher interest rates. Recovery, as elsewhere in Europe, thus looks as though it will be deferred.

Set in that context, any post-Cresson rally on the bourse could be short lived. The CAC index has already outperformed the Dow by nearly 8 per cent this year. There is no reason for *any further outperformance.*

Lonrho

Lonrho's last day as a constituent of the FT-SE index was not one it will care to remember. The company was abandoned by its joint lead broker, Phillips & Drew, which then aggressively marked down the shares. But perhaps more humiliatingly, its market capitalisation fell to a mere £430m, or £100m less than the value put by Libya on Lonrho's Metropole Hotels group when it bought a one-third stake last week.

The share price fall aside, Lonrho's banks must be thoroughly unnerved at the speed with which its finances appear to have gone awry. They have advanced it more than £800m of unse*cured loans, of which £250m is repay*able this year or next, and a further £430m within five years. Granted, Lonrho has favourable covenants which deprive the banks of an excuse for withdrawing existing facilities in the short term. But the group is already seen as a forced seller of assets, which will scarcely help efforts to reduce or roll over its debts. Shareholders are doubtless asking themselves how much their shares would be worth in the event that such efforts prove unsuccessful.

FINANCIAL TIMES
COMPANIES & MARKETS
Wednesday April 1 1992

INSIDE

Moody's cuts ratings on Japanese banks

Moody's Investor Service, the US credit rating agency, yesterday lowered credit ratings of four Japanese banks. The move comes at a time when bad loans are increasing sharply at Japanese financial institutions because of the declines in the stock and property markets. **Page 22**

More de-regulation in the skies

When Australia's prime minister Mr Paul Keating announced plans to create a common aviation market in Australia and New Zealand, it was seen as a revolutionary step offering something to everyone. However, the plan has only added further pressure to an industry besieged by two years of economic recession and a bitter fares war sparked by deregulation. **Page 24**

Nestlé plays waiting game

Nestlé may have won the takeover battle for France's Source Perrier, the world's largest mineral water company, but the Swiss food group faces as much as four more months of uncertainty while European Commission competition authorities decide how much of its prize it may keep. **Page 23**

Micros keep track of trucks

It can't be often that a company invests $2.5m and immediately covers the cost. But that happened when American Barrick Resources, the Canadian gold mining group, bought a computer-based truck dispatch system for its Goldstrike gold mine in Nevada. The concept is simple: to link microcomputers on trucks through a radio network to a central computer. But it is far from easy to put the concept into effect and one company, Modular Mining of Tuscon, Arizona, seems to have a monopoly. **Page 30**

Two steps forward, one back...

The recovery in the Helsinki stock market this year has been more apparent than real. The gains took place after a long period of decline and, for foreign investors, they were almost wiped out by the devaluation of the markka last November. **Back Page**

Croda profits fall to £21m

Croda International, the UK chemicals group, yesterday reported a fall in pre-tax profits for the year to end-December from £33.7m to £21.3m ($36.8m). Sales were down 4 per cent at £220.9m. **Page 27**

Market Statistics

Companies in this issue

Chief price changes yesterday

FRANKFURT (DM)				Sommer-Allibert	1359	+	34
Rises				Taittinger	3075	+	86
Asko	886	+	20	Union Immob Fr	480	+	14.9
Douglas Hldg	694	+	11	**Falls**			
Fg Kugelfischer	259	+	8.5	Cogefi	340	–	6
Industrie Wrk	331.5	+	9	Hachette	150	–	8.3
Lahmeyer	815	+	15	**TOKYO (Yen)**			
Volkswagen Prf	314.5	+	9	**Rises**			
NEW YORK ($)				North Pac Bank	560	+	50
Rises				**Falls**			
Corning	34	+	1¼	Fujii	445	–	50
Union Pics	2⅞	+	¼	Nihon Nohyaku	1030	–	110
Falls				Nippon Carbon	1050	–	150
Dime Savings	3½	–	⅝	Takuma	891	–	99
Raychem	34¾	–	¾	Viva Home	1500	–	150
TJX	18¾	–	1				
TRC	13½	–	¼				
PARIS (FFr)							
Rises							
Radiotechn	634	+	14				

New York prices at 12:30.

LONDON (Pence)				Barclays Bk.	307	–	10
Rises				Buckingham	6	–	3
Bilston & Batt.	36	+	8	Kingfisher	471	–	12
Croda Intl	163	+	17	Lonrho	65½	–	13½
Devenish	250	+	11	MTM	66	–	6
Granada	230	+	10	Nurdin & P.	156	–	8
Hardys & Han.	1401	+	51	Speyhawk	2½	–	8½
Wellcome	1049	+	27	Sterling Publ.	32	–	5
Wyevale Gar	174	+	9				
Falls							
Alexon	313	–	24				

German steel group overcomes falling prices and weak demand in last year before its flotation

Krupp net earnings increase to DM300m

By Christopher Parkes in Hanover

KRUPP, the German steel and engineering group, reported a strong performance in its last full year before flotation this summer.

In spite of the pressures of recession overseas and stagnation in domestic markets, the Essen-based company increased net earnings to DM300m ($182m) from DM217m last time, Mr Gerhard Cromme, chairman, said yesterday.

Hoesch, which will shortly be taken over by Krupp, fared less well. Yesterday, it reported falling profits and announced plans for 2,800 job cuts this year, following last year's reduction of 2,500.

Meanwhile, Mr Heinz Kriwet, chairman of Thyssen, Germany's biggest steelmaker, said economic conditions had worsened since last year.

Sales at Thyssen in the five months to the end of February had risen 1 per cent to around DM15bn, but profits had continued to fall. "We can see no signs of improvement. The German economy is stagnating and we may be at the start of a recession," he said.

Thyssen was preparing for "stormy weather ahead", and recovery might take longer than expected, Mr Kriwet said.

Sales at the three groups stagnated or showed minimum growth in 1991. Turnover at Krupp rose just 2 per cent. At Hoesch it was unchanged at DM12.6bn, according to Mr Kajo Neukirchen, chairman. He said his company had a satisfactory year.

Thyssen's figures, published two weeks ago, showed a 1 per cent rise to DM36.6bn. The main causes were falling steel prices and fading demand in Germany and abroad, the three chairmen agreed.

According to Mr Cromme, after-tax profits at Fried. Krupp, the core operating business in the Krupp group, rose DM90m to DM200m, allowing it to wipe out losses carried forward and post an unappropriated profit unofficially estimated at DM50m.

Krupp Stahl, the steel subsidiary, held its ground in difficult conditions. Results matched those of 1990, Mr Cromme said, hinting at a further dividend payout.

Krupp Stahl, the only quoted part of the group, last year paid its first dividend – DM5 – for 16 years. Mr Cromme also upgraded estimates of the benefits of the impending takeover of Hoesch. He said the long-term "positive effect" on results would be about DM500m a year.

In the shorter term, however, he warned of "suitable countermeasures" needed to cope with the current downturn. "The world economic setting in 1992 is much more difficult than last year," he said.

The takeover of Hoesch is expected to be completed in July, in spite of an unexpected dispute with the federal cartel office in Berlin.

The office is understood to be concerned that the merger will give the enlarged group too big a share in the springs market.

Speyhawk starts restructuring debts after £217m loss

By Vanessa Houlder, Property Correspondent

SPEYHAWK, the UK property developer, yesterday underlined the severity of the UK's worst commercial property decline for more than 50 years by announcing a £216.8m ($375m) annual loss and the restructuring of more than £300m in debts.

After announcements of refinancing by Olympia & York and Heron International, Speyhawk's plight provides a further illustration of a slump which has wiped more than a quarter of the value off UK commercial property since the market's peak in 1989.

Speyhawk, which has debts of £303m, is technically insolvent as its liabilities exceed its assets by £70m. However, its 46 banks, led by Barclays and Citibank, have agreed to restructure debts and provide it with working capital over a four-year period.

The announcement sent Speyhawk's shares down from 11p to 2½p. City of London analysts had long expected heavy losses from the company, which had been talking to its banks since last August.

Speyhawk has been severely hit by the property crash since it does not have rental income to cushion it from its interest costs. It relies on selling the properties it builds, but it has been hit by the shortage of demand from investors and tenants.

It has a high exposure to the City of London, which is the worst-hit property market in the country. More than half the £205m provisions Speyhawk made against its properties are due to two City buildings, Cannon Bridge and Exchequer Court.

Its development sites also suffered heavy write-downs, to as little as 20 per cent of their former values.

The problems of companies like Speyhawk stem from the coincidence of the recession, which has cut demand for property, and an unprecedented amount of new building. The development surge resulted from a relaxation of planning controls, demand for technically improved buildings and a large increase in bank lending for commercial property, which was a record £40bn last year.

Mr Trevor Osborne, chairman of Speyhawk and president of the British Property Federation, said the experience had been "chastening". But he thought there would be no need for further write-downs and the company's properties would increase in value over the next four years.

Turnover decreased by 71 per cent to £76.4m in the year to September 30 1991, against £262.6m a year earlier. The loss per share was 829.7p, after a loss of 27.8p last year.

Lex, Page 20

Alice Rawsthorn charts a French flirtation which ended with heartbreak and debt

Hachette cuts its losses over La Cinq

WHEN Mr Jean-Luc Lagardère posed, suntanned and smiling, for the French press outside La Cinq's headquarters in October 1990, he was celebrating the end of a lengthy struggle to take Hachette, his publishing and printing group, into television.

The memory of those celebrations must seem, at best, bittersweet to Hachette's chairman.

La Cinq, which earlier this year filed for bankruptcy, will on Friday be told by a Paris court if it is to close. Hachette's flirtation with television has lasted less than 18 months and could cost up to FFr3.55bn ($630m). It might also mean that Mr Lagardère and his family lose control of Hachette, one of Europe's prominent media empires.

The La Cinq crisis has come at the worst possible time for Hachette which is burdened by heavy debts after its over-ambitious acquisitions in the US.

On Monday Hachette announced that, after totting up last year's losses on La Cinq, it was asking its banks for a fresh injection of capital to restructure its finances.

Hachette has to make provisions of up to FFr1.8bn for La Cinq in its 1991 accounts. This follows a provision of FFr1.7bn in 1990 bringing the total bill for its brief investment in television to FFr3.55bn. But the 1991 provision takes Hachette's net debt to an estimated FFr8bn – against equity of just FFr1.2bn.

It remains to be seen what form the financial restructuring will take: how much money the banks, which include Crédit Lyonnais and Banque Nationale de Paris, will agree to give; and whether the Lagardère family interests can hold on to their 51 per cent of Hachette.

In the meantime Mr Lagardère is proceeding with the plan he announced to a startled Paris stock market earlier this year, to merge Hachette with Matra, the electronics company which is also controlled by the Lagardère family.

"The merger with Matra looks more and more like a rescue for Hachette," said one media analyst. "The chickens are really coming home to roost at Hachette. We will soon find out whether there are a few vultures among them."

Until the La Cinq debacle, Hachette was seen as an ambitious, but far from reckless media group which was expanding beyond its original base in France notably by launching Elle, its successful fashion magazine, into other countries.

Mr Lagardère can hardly complain he was not warned about the pitfalls of investing in television. No fewer than three government ministers told him to steer clear of La Cinq which had been struggling to establish itself as France's fifth channel since its launch in 1986.

But Mr Lagardère, still smarting at being beaten by the Bouygues construction group in the 1987 privatisation bid for TF1, the biggest French channel, was anxious to take Hachette into television. When the opportunity arose to invest in La Cinq in autumn 1990, he leapt at it.

La Cinq had then already lost almost FFr2.5bn. Its losses have since escalated. By late last year the situation was critical. On New Year's Eve Hachette, having tried and failed to find new investors, announced the station was filing for bankruptcy.

No one, not even Mr Lagardère, knows the final cost of La Cinq to Hachette. It is still in negotiations over possible compensation for the investors, notably Kleinwort Benson, the British bank, that it brought into the station in 1990. But the putative provision of FFr1.8bn for 1991 is believed to be the highest possible figure, enabling Hachette to begin 1992 with a clean sheet.

La Cinq may be the immediate cause of Hachette's predicament, but it is not the only problem. Hachette is also encumbered by the debts amassed in its acquisitions of the late 1980s and by the difficulty of integrating its new interests. It has been left with net debt of around FFr8bn mainly because of the purchase of two US companies – Grolier encyclopedias and Diamandis magazines – for a total of $1.16bn (£670m) in late 1988. Unluckily for Hachette it did the deals on the eve of the US recession and the consequent slump in the publishing sector.

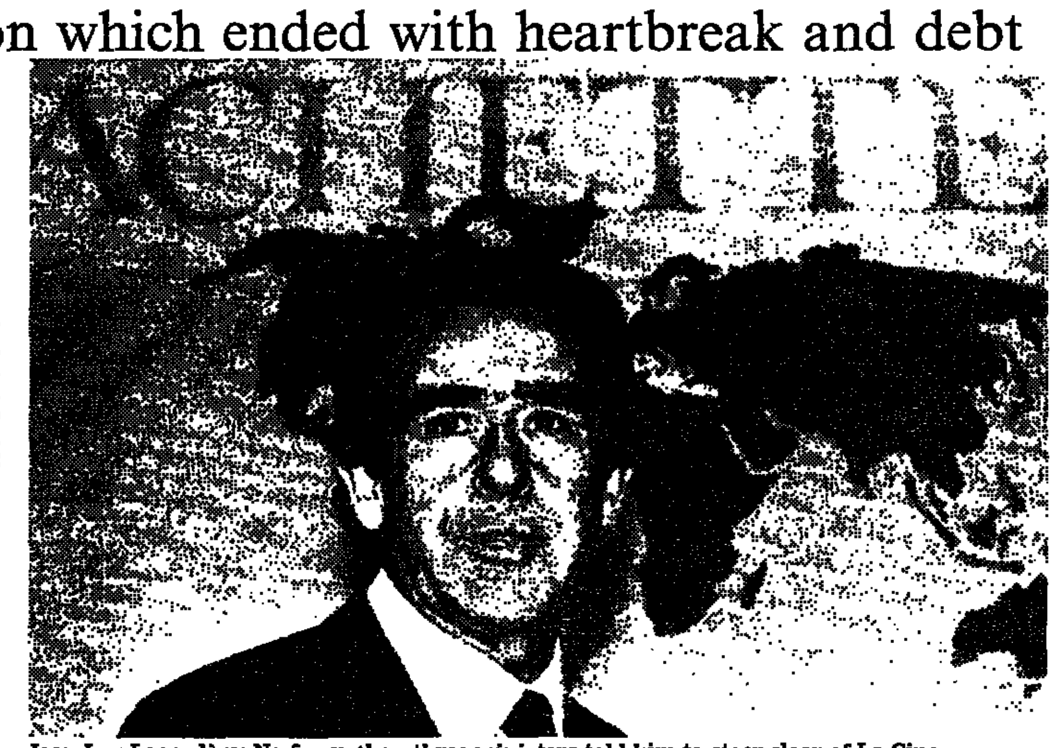
The new acquisitions not only performed less well than Hachette had expected (the US companies covered their financial costs for the first time in 1991), but it was also hampered in its attempts to reduce its debts by making disposals, not only in the US but in other countries.

Hachette did sell the Nouvelles Messageries building in central Paris for FFr2.78bn in 1990 and sold some printing businesses last year. But its 8.1 per cent stake in Rizzoli, the Italian publisher, is still on the block as is its landmark building on Paris' Boulevard Saint Germain.

"This is a very bad time to be making disposals," said Mr Jean Jacques Limage, media analyst at James Capel in Paris. "The publishing and property markets are both depressed. Hachette is finding it difficult to get good prices."

It is difficult to calculate the full impact of these problems on Hachette given it has had little contact with analysts for the past year. However Hachette posted a net loss of FFr30m in the first half of 1991 and is expected to report another loss, possibly as high as FFr1bn, for the full year in its results next month.

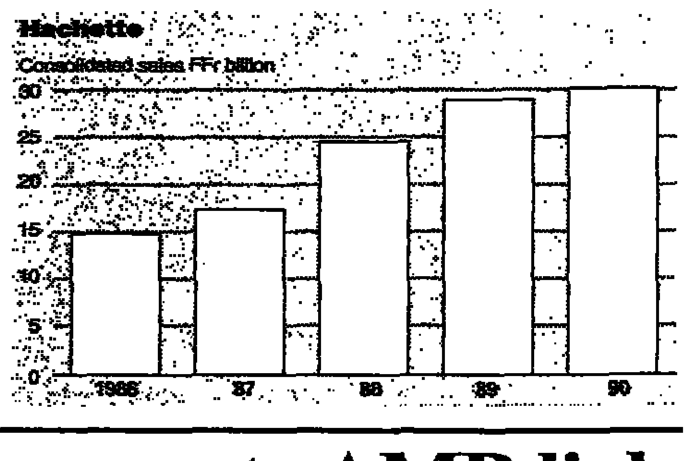
In the meantime Hachette, like the rest of the French media, is waiting anxiously for Friday when a Paris court decides whether to pull the plug on La Cinq. If it does, a blank screen will take the place of France's ill-fated fifth channel.



Jean-Luc Lagardère: No fewer than three ministers told him to steer clear of La Cinq

Hachette

Consolidated sales FFr billion



Fondiaria cements AMB link

By Haig Simonian in Milan

FONDIARIA, the leading Italian insurance group, is spending DM562m ($340m) to buy a 14.2 per cent stake in Aachener und Münchener Beteiligungs (AMB), Germany's second largest insurer, in a move further cementing links between the two companies.

The deal, which raises Fondiaria's share in AMB to 20 per cent, will reinforce the Italian group's growing foreign activities and may help AMB to resist the so-far unwanted advances of Assurances Générales de France (AGF), the powerful French state-owned insurer, which owns just over 25 per cent of AMB.

AMB and AGF have been locked in a battle of wits over the French group's desire to gain a significant minority stake.

AMB has so far registered voting rights for only 9 per cent of AGF's holding and made clear it regarded AGF's share purchases as unfriendly.

Fondiaria is already associated with AMB and Royal Insurance of the UK in a recently-established tripartite alliance, European Partners for Insurance Co-operation (EPIC), designed to develop joint European insurance ventures.

The Italian group had an option on an 18.8 per cent stake in AMB formerly held by Royal, which was sold to Crédit Suisse late last year. That option expired yesterday, explaining the timing of the latest announcement.

Last January, Fondiaria sold to AMB, for DM600m, its 25 per cent stake in Volksfürsorge, the former German trade-union owned life insurer, in which it had originally invested jointly with AMB. The move provoked speculation that Fondiaria could use the proceeds to exercise the option to buy into AMB – as has now happened.

However, Fondiaria has bought only 14.2 per cent of the 18.8 per cent stake on which it had an option. Fondiaria said the company had not exercised its option for the full amount because AMB management wanted it to restrict its overall stake to 20 per cent. It is believed the remaining 4.6 per cent stake not taken up by Fondiaria has been placed with unidentified institutional investors.

● Separately, as part of a complex internal reorganisation, Fondiaria has sold to Latina, the Italian insurer it bought last year, 85 per cent of Fondiaria Deutschland, the subsidiary which currently holds the AMB stake.

Philips & Drew quits as Lonrho stockbroker

By Roland Rudd and Robert Peston

LONRHO'S share price yesterday fell 13¼p to close at 65½p, its lowest since January 1984, as Phillips & Drew Securities confirmed it was resigning as Lonrho's joint stockbroker in protest at the international trading conglomerate's lack of consultation over its big deals.

Phillips & Drew, the main market-maker in Lonrho shares, was particularly irritated by the group's failure to tell it of its decision to sell one-third of its holding in Metropole Hotels to the Libyans for £177m.

Meanwhile, banks with big loans to Lonrho, led by Barclays, Standard Chartered and Lloyds, have become anxious that banks with smaller Lonrho loans might attempt to reduce their exposure.

The big banks are not keen to increase their loans to Lonrho to replace any bank facilities that could be withdrawn.

Barclays has the biggest lending exposure to Lonrho.

Société Générale Strauss Turnball is to continue to act for the company as sole broker.

Lex, Page 20

Gemina earnings improve to L31bn

By Haig Simonian in Milan

GEMINA, the Italian investment and financial services group controlled by Fiat, raised pre-tax parent company profits for the first half of its 1991-92 financial year to L30.8bn ($24.85m) from L23.2bn last time.

However, consolidated pretax earnings in the six months to December 31 fell to L130.9bn from L142.5bn.

Gemina forecast that parent company earnings this financial year would be in line with those in 1990-91.

The book value of its holdings rose by L339.8bn to L1.494bn, largely because of rights issues at RCS Editori and Fila, two companies under Gemina's control.

SAS lifts stake in British Midland parent to 40%

By Paul Betts, Aerospace Correspondent

SCANDINAVIAN Airlines System (SAS) is cementing its ties with British Midland by increasing its stake in the UK carrier's parent company, Airlines of Britain Holding, from 24.9 per cent to 40 per cent.

The deal, worth £25m ($43.25m), follows recent approaches by other airlines interested in acquiring a stake in the UK carrier because of its strong position at London's Heathrow airport.

Sir Michael Bishop, chairman of the UK group which owns Manx Airlines and Loganair as well as British Midland, said yesterday he had been approached by several airlines since the UK government abolished the Heathrow traffic distribution rules last year and opened the airport to new entrants.

British Midland controls about 15 per cent of the take-off and landing times, or "slots", at Heathrow, the world's biggest international passenger airport. International airlines, which had been barred from using Heathrow under the old traffic rules, have been anxious to expand their operations at the airport by securing slots.

However, Sir Michael said his company was keen to strengthen its links with SAS because of successful co-operation between the two airlines during the last three years. "We reported to SAS the interest other companies were expressing, but we also made it clear we wanted to maintain a long-term relationship with SAS," he said.

British Midland has recently negotiated ticketing and co-operation agreements with other carriers, including United Airlines, South African Airways, Qantas and Air Canada. The Scandinavian airline acquired its initial 24.9 per cent stake in the UK group for £25m in 1988.

The Civil Aviation Authority is not expected to object to the increased SAS shareholding; control of British Midland remains with UK nationals.

Mr Jan Carlzon, chief executive of SAS, said the latest £25m investment strengthened his airline's strategic position in the UK, the most important market outside Scandinavia.

Australian airlines, Page 24

Saga Petroleum to raise NKr600m

By Karen Fossli in Oslo

SAGA PETROLEUM, Norway's biggest independent oil company, is planning to issue up to 7m new shares which could raise NKr600m ($93m), the company confirmed yesterday.

Mr John Sandberg, a Saga executive, said the board would meet soon to agree details of the planned capital increase.

The new capital would be used for acquisitions within the oil sector, Mr Sandberg said. Last autumn, Saga said it was seeking international expansion.

Mr Sandberg said Saga's board would seek authority to issue the shares from the general assembly at a meeting scheduled for May 7. Yesterday, Saga's A-shares closed unchanged at NKr73 in Oslo.

Last year, Saga held talks about acquiring the Norwegian North Sea oil and gas assets of DNO, a small oil company connected with Mr Torstein Hagen, the Norwegian financier. The talks, however, foundered on the valuation of DNO's assets.

In August, Saga will bring its first oilfield, Snorre, on stream in two phases. Investment in the entire development is about NKr30bn, NKr21bn of which will cover the first phase development.

Snorre contains 106m standard cubic metres of oil, 6.7bn cubic metres of gas and 3.2m tonnes of natural gas liquids.

The company is also developing another oil field, Tordis, which is much smaller than Snorre with oil reserves of 18m standard cubic metres of oil. The field, slated to come on stream in the second half of 1994, will cost NKr3bn to develop.

Saga is also studying development alternatives for the Vigdis oilfield, which it declared commercial last October.

Aegon ahead 10.5% at Fl 827m

By David Brown in Amsterdam

AEGON, one of the leading insurance groups in the Netherlands, yesterday reported a 10.5 per cent increase in 1991 net profit, to Fl 827m ($445m) from Fl 749m. Group operating income climbed to Fl 712.8m from Fl 645m.

Aegon said total revenue advanced to Fl 13.6bn from Fl 12.04bn, an increase of 13.2 per cent. Of this, premium income generated Fl 7.9bn, up Fl 750m. Investment and other income accounted for Fl 4.89bn, an increase of Fl 843m.

Aegon turned in a strong performance in the life insurance sector in its two main geographical markets, the US and the Netherlands.

The operating result from the life insurance business rose to Fl 721m from Fl 624m. This more than compensated for a continued weakness in its other European markets, where operating losses more than doubled to Fl 19m, concentrated in the accident, health and general insurance sectors.

Aegon is forecasting "a clear increase" in 1992 operating income, which, on a per-share basis, will "at least equal" the Fl 15.45 last year.

The board has proposed a dividend of Fl 7.35 per share, an increase of Fl 0.25.

Ratings lowered at four banks in Japan

By Emiko Terazono in Tokyo

MOODY'S, the US credit rating agency, yesterday lowered ratings of four Japanese banks.

The move comes at a time when the balance of bad loans is increasing sharply at Japanese financial institutions.

Their problems are traced back to the late 1980s, when loose credit controls allowed banks to lend to land and stock speculators. Increasing concern over deteriorating asset quality at the banks has led to banking shares being sold off heavily in recent weeks.

Long and short-term ratings of Mitsui Trust and Banking were lowered to A3 and P-2 respectively. Moody's said the downgrading reflected concerns over Mitsui Trust's long-term profitability.

Mitsui Trust is currently involved in the restructuring of troubled real estate-related companies. Moody's also cited the bank's exposure to non-bank financial institutions as a significant concern.

Moody's lowered Tokai Bank's long-term credit ratings from Aa3 to A1. It said Tokai's commitment to aid Central Finance, a leasing affiliate which was involved in a series of loan scandals, would squeeze the bank's profits.

The Bank of Tokyo saw its long-term ratings lowered from Aa2 to Aa3 on concerns over deterioration of domestic and overseas assets, and expectations of a profits squeeze due to financial deregulation.

Although the bank has little direct exposure to the domestic property sector, Moody's said loans made to real estate and non-bank financial institutions through affiliates were putting pressure on the bank's asset quality.

The credit agency lowered the short-term credit rating for Hokuriku Bank, a regional bank, to P-2. Hokuriku is a leading creditor of Nanatomi, the property company which filed for bankruptcy last year with debts totalling Y300bn ($2.3bn).

Bull stems losses to FFr3.3bn

By Alice Rawsthorn in Paris

GROUPE BULL, France's state-controlled computer group which recently concluded an alliance with IBM of the US, managed to reduce its losses from FFr6.79bn in 1990 to FFr3.3bn ($589m) in 1991 despite the intense competition in the international computer industry.

Mr Francis Lorentz, Bull's chairman, attributed the improvement to the radical restructuring programme implemented by Bull last year.

This programme, which involved overhauling products and cutting the worldwide workforce by 9,000 people, or 19 per cent, in 1991 was designed to cut costs and improve efficiency.

However, Mr Lorentz warned that Bull anticipated another tough year in 1992. "We must redouble our efforts to adapt to a world market which is still in crisis and to return to profitability," he said.

Francis Lorentz: warns of another tough year

Bull earlier this year restructured its debt by securing an international credit facility of $1.1bn.

Bull sustained a fall in overall sales of 3.1 per cent from FFr34.6bn in 1990 to FFr33.5bn in 1991. Its hardware sales are believed to have fallen – by 4 per cent in Europe and North America – for the first time.

The company managed to counter this with its cost-cutting programme which involved reducing its production plants from 13 to five as well as job losses.

The cost of restructuring was higher than originally expected. Bull was forced to make a provision of FFr675m for restructuring in 1991 in addition to the provision of FFr3.62bn made in its 1990 accounts.

The alliance with IBM, which involves the two companies swapping technical know-how, will lead to the US group investing $100m in Bull for 5.7 per cent of its shares. NEC of Japan last year took 4.7 per cent of Bull in return for ceding its shares in the French company's US subsidiary.

Gechem loss blamed on US push

By David Buchan in Brussels

GECHEM, the Belgian chemical group and foam rubber maker, yesterday announced a 1991 loss of BFr1.9bn ($55m), largely as a result of ill-fated expansion in the US, and said it would pay no dividend. This compares with a BFr1.29bn profit in 1990.

The loss was slightly greater than Gechem signalled last December when it announced it was abandoning control of Foamex LP in the US, and with it the ambition to be the world leader in polyurethane foam rubber.

The news had little impact on the Brussels bourse, where Gechem ordinary shares closed 2 per cent down but its preferences shares 1 per cent up.

Gechem's strategy is now to focus on Europe, where its foam-making division, Reticel, recorded a before-tax profit of BFr960m last year on turnover which increased by 3.2 per cent to BFr28.8bn. This was partly due to recent acquisitions.

Gechem is still the target of law suits connected with the now-bankrupt Belgian explosives company, PRB, which it sold to Astra of the UK.

Some of the former PRB management are suing it for alleged non-payment of redundancy monies, and the Belgian authorities are trying to make Gechem liable for cleaning up a former PRB explosives site. Gechem said yesterday it "remains confident the courts will find in its favour".

It said Gechem executives were voluntarily helping the UK Department of Industry's inquiry into Astra's affairs.

Accor declines 5.6% to FFr949m

By Alice Rawsthorn in Paris

ACCOR, the French hotels group which recently took over its competitor, Wagons-Lits, saw net profits fall by 5.6 per cent from FFr1bn in 1990 to FFr948.6m ($169.3m) in 1991 because of the disruption caused by the Gulf war in the opening months of the year.

Last autumn, Accor fought a fierce battle to take over Wagons-Lits, a Franco-Belgian concern, in order to expand its presence in the European hotel market.

Accor had forecast net profits of FFr900m for 1991. Its performance was slightly better than expected thanks to a good performance in Germany, Italy and Belgium during the second half.

Group turnover fell modestly from FFr22.8bn in 1990 to FFr22.4bn in 1991.

However, earnings per share declined by 13.3 per cent from FFr50.96 in 1990 to FFr44.15 in 1991 after a reduction in exceptional items from FFr209.9m to FFr182.8m.

Nonetheless, the board proposed raising the dividend from FFr15 in 1990 to FFr16 in 1991.

● Legrand, the French electrical equipment maker, should post 1992 profits at least stable at 1991 levels, and a rise of 7 per cent in turnover, said Mr Olivier Bazil, its financial director, Reuter reports.

Legrand's 1991 results showed net attributable profit of FFr703, compared with 1990's FFr704m. The dividend increased 7.5 per cent to FFr57.50, while turnover rose to FFr9.95bn from FFr9.24bn.

INTERNATIONAL COMPANIES AND FINANCE

Air Canada vows to prevent rivals' alliance

By Bernard Simon in Toronto

THE fight for survival between Canada's two leading airlines has intensified with a vow by Air Canada to use every weapon at its disposal to block an alliance between Canadian Airlines International and American Airlines, based in Dallas.

Mr Hollis Harris, Air Canada's newly-appointed chief executive, said the Montreal-based airline would lodge a strong protest with the federal government against its rival's proposed deal, which is at an advanced stage of negotiation.

In addition, Air Canada has demanded immediate access to the lucrative trans-Pacific route to Japan currently reserved for Canadian. Air Canada also wants to be allocated half of Canadian's slots at Japanese airports. American Airlines has proposed acquiring a minority equity stake in Canadian and forging a comprehensive operating alliance. Air Canada and Canadian lost almost C$400m (US$336m) between them last year, and it is widely assumed that neither can survive in its present state. But the two carriers are pursuing different solutions to their problems.

Air Canada has pressed for some form of merger, leading later to an alliance with one of the emerging multinational airline groups. It hopes to generate public sympathy by insisting that Canadian's deal with American would inexorably lead to one of the country's most visible businesses being swallowed by a foreign giant.

But PWA, Canadian Airlines' parent, sees the deal with one of the strongest US carriers as a way of giving itself immediate protection, as well as greater access to the valuable US market.

PWA responded to Mr Hollis' statement by insisting that its proposed alliance with American "will minimise job loss and maintain competition in Canada".

PWA said its discussions with American were "progressing well and we plan to see them through to their conclusion".

The government has yet to show its hand. One Toronto analyst said that, provided American is willing to limit its equity stake to 25 per cent, the argument that a merger will lead to huge job losses and a monopoly in the domestic market is likely to carry considerable weight in Ottawa.

EC may take some fizz out of Perrier deal

Guy de Jonquieres on concern over Nestlé's share of the French bottled water market

NESTLE may have won the takeover battle for France's Source Perrier, the world's largest mineral water company, but the Swiss food group faces as much as four more months of uncertainty while European Commission competition authorities decide how much of its prize it may keep.

Brussels' main concern is the French market, where the deal would almost double Nestlé's share of mineral water sales to around 40 per cent. Although the company has agreed to sell Volvic, Perrier's second largest brand, to BSN, France's leading food manufacturer, that does not solve the competition issue because it would leave Nestlé and BSN together controlling about three-quarters of French mineral water sales.

Nestlé already owns the Vittel brand in France, Blaue Quellen in Germany and Ashbourne in Britain, while Perrier and BSN have sizeable water interests in Italy. But nowhere in Europe except France would the deal give either company a share of much more than 20 per cent.

Whether the deal will pitch Paris and Brussels into another confrontation over competition policy remains to be seen. But Nestlé seems confident that it can square any objections by disposing, if necessary, of some of Perrier's other interests.

Mineral water production is one of the world's simplest businesses. The raw material is free and requires no manufacturing: the technical skill – and profit – lies largely in knowing how to run bottling plants at close to capacity.

Yet few other food or drink sectors have enjoyed such high growth and buoyant profitability in recent years. Since the mid-1980s, worldwide sales volumes have risen by around 10 per cent annually. Margins of the larger water producers are typically between 15 per cent and 20 per cent.

In some cases, demand has outstripped supply. Sales have remained robust, even though advertising budgets have been cut and bottle sizes reduced in an effort to conserve supplies. Evian, BSN's best-selling still water, is expected to hit production constraints in 10 years.

BSN has several other untapped springs and is in the process of launching a sparkling water, La Salvetat, from one of them. However, introducing new products is an expensive way to grow in a business where competitive advantage depends heavily on advertising and marketing support.

Hence BSN's eagerness to snap up Volvic, a successful brand with ample spare capacity. Mr Sylvain Massot, drinks industry analyst with investment bank Morgan Stanley, says: "To expand in mineral water, you have to acquire."

Although recession has recently slowed the industry's sales growth, the longer-term outlook remains appetising – particularly in the Anglo-Saxon world where there is plenty of demand waiting to be tapped.

Prospects are bright in the US, where mineral water has begun to carve out a niche in a country long addicted to colas. Bottled waters account for only 11 per cent of US soft drinks sales, but volumes have been growing by 6 per cent a year, twice as fast as the total market.

Perrier is already the leading supplier in the US, and Nestlé is expected to commit substantial extra resources to strengthening its position. The spearhead is unlikely to be Perrier's best-known product: though notionally a global brand, high transport costs have severely limited US sales and profits.

The most rewarding opportunities lie in building on Perrier's locally-produced North American brands. These include Arrowhead, Great Bear and Ozarka, purchased from Beatrice Foods in 1987, and Ice Mountain, purchased from PepsiCo the following year.

By pushing these products through its sizeable US distribution system, Nestlé could get them on to more supermarket shelves, while making its own offering more attractive to retailers.

Analysts estimate that such rationalisation could quickly add as much as three percentage points to Perrier's 7 per cent profit margin in the US.

There should also be further improvements in Perrier's performance as it continues to recover from the dent in operating profits caused by the benzene scare two years ago.

All this adds up to a tonic for Nestlé. EC competition authorities willing, the Perrier deal should be just what the Swiss group needs to put some fizz back in its performance after a flat spell in the second half of the 1980s, when its annual increases in earnings per share averaged a meagre 3.5 per cent.

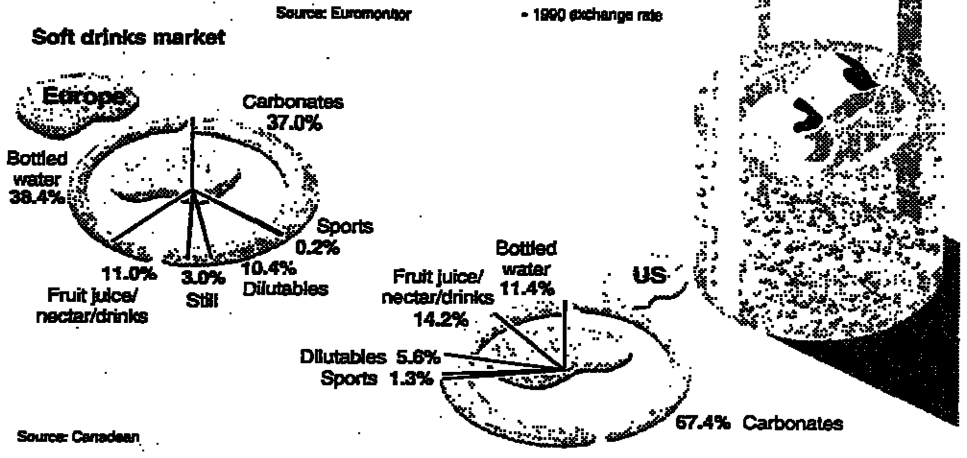
Quenching a thirst

Mineral water sales and consumption 1990

	$bn*	$ per person	Litres per person
Germany	2.98	47.76	83.49
Italy	2.57	44.33	105.10
US	2.50	10.16	33.11
France	2.24	38.90	77.22
UK	0.44	7.67	6.18

Source: Euromonitor   * 1990 exchange rate

Soft drinks market



Source: Canadean

Corning earnings advance in first quarter

By Karen Zagor in New York

CORNING, the US specialty glass group, yesterday unveiled a 21 per cent increase in underlying first-quarter earnings.

Stripping-out extraordinary items, Corning said it earned $56.4m, or 30 cents a share, in the latest quarter.

Net income for the first three months of 1992 was $78.1m, or 41 cents a share, against $48.4m, or 26 cents, a year earlier. The figures include one-time gains in both years.

Net sales rose 15 per cent to $793.2m from $691.2m the previous year, fuelled by strength in Corning's laboratory services business.

Mr James Houghton, chairman, said the company's fibre and cable businesses were showing a seasonal upturn and a return to strong year-on-year growth.

The weak US economy, however, hurt results of Corning's consumer products and specialty materials operations.

On Wall Street, shares in Corning were $1¼ higher at $33¾ in an advancing market.

The company's stock has been battered in recent months by controversy surrounding the silicone breast implants manufactured by Dow Corning, a 50-50 joint venture between Corning and Dow Chemical.

Dow Corning said recently it was withdrawing entirely from the silicone breast implant business.

Although the devices account for less than 1 per cent of Dow Corning's $2bn annual sales, there is growing concern that Corning may be vulnerable if Dow Corning is flooded with successful law suits.

Mr Houghton has said the suits would not have a material effect on Dow Corning's financial position.

In 1991, Corning's equity earnings from Dow Corning were reduced by $8.2m after Dow Corning took a $16.4m fourth quarter after-tax charge related to the implants.

Walt Disney in TV station swap deal

By Alan Friedman in New York

WALT DISNEY, the Hollywood studio and theme park group, has agreed to swap a Los Angeles television station it owns for 45 per cent of Pinelands, the New Jersey holding vehicle of a leading New York independent television station.

The transaction calls for Disney to sell the Los Angeles-based KCAL-TV to Pinelands in a deal estimated to be worth $200m.

Pinelands, which controls New York's WWOR-TV station, was previously owned by MCA, the Hollywood entertainment group that was acquired by Matsushita of Japan.

Matsushita was required to spin off Pinelands 15 months ago because US regulations prohibit foreign ownership of US television interests.

The Disney-Pinelands deal may yet run into obstacles since it is being opposed by Mr Mario Gabelli, the New York money manager whose company owns 12 per cent of Pinelands. Mr Gabelli complained that the transaction undervalued Pinelands.

Buyers look over First City Bancorporation

By Martin Dickson in New York

FIRST CITY Bancorporation, the troubled Texas bank which has been seeking a buyer for months, said yesterday that several potential buyers were looking over its books.

It also gave details of a plan for structuring any takeover and recapitalisation in a way which, it claimed, should mean no loss for the Federal Deposit Insurance Corporation, the government agency which oversees the restructuring of troubled banks.

The FDIC provided nearly $1bn of a $1.5bn rescue package for First City in 1987 and is anxious to avoid a second large cash injection in such a short time.

First City Bancorporation is one of the largest remaining independent banks in Texas under local ownership. Mr Robert Abboud, the Chicago banker who led the 1987 bail-out, resigned as chairman a year ago in the face of mounting loan losses.

The bank said in a filing with the Securities and Exchange Commission that it expected an operating loss in the first quarter and losses were expected to continue until a deal was struck which restored its capital adequacy.

Without such a deal, the management believed that "substantial doubt exists as to the ability of First City to continue as a going concern".

The proposed deal would involve First City's non-performing and doubtful loans being put into a separate pool, managed by the buyer. The buyer would also have the senior interest in the pool, which would be partially guaranteed by the FDIC. The agency would receive a fee in the form of an interest in the pool.

First City's shareholders would get a residual interest in the pool in exchange for their shares.

At the end of last year, some $670m of the bank's $5.5bn loan portfolio was non-performing.

Mitsubishi stake sale likely

MR Lee Iacocca, chairman of Chrysler, said yesterday the company was likely to sell the rest of its 5.9 per cent stake in Mitsubishi Motors, the Japanese car-maker, "over time," writes Martin Dickson.

Mitsubishi said this week that Chrysler had cut its stake from 11 per cent through the sale of 43.6m shares for $206m.

Mr Iacocca said the sale would not affect the company's commercial relationship with Mitsubishi.

Prices for electricity determined for the purposes of the electricity pooling and settlement arrangements in England and Wales.

1/2 hour period ending	Provisional Price for Trading on 01.04.92: Pool purchase price £/MWh	Final Prices for Trading on 04.03.92: Pool purchase price £/MWh	Pool selling price £/MWh
0030	16.72	17.04	17.04
0100	16.77	17.07	17.07
0130	16.81	17.07	17.07
0200	24.23	17.07	17.07
0230	25.64	17.04	17.04
0300	25.64	17.04	17.04
0330	25.64	17.04	17.04
0400	16.91	17.03	17.03
0430	16.86	17.02	17.02
0500	16.81	17.02	17.02
0530	16.81	17.03	17.03
0600	16.81	17.03	17.03
0630	16.81	17.04	17.04
0700	17.50	19.03	20.64
0730	19.81	19.03	20.68
0800	25.31	19.03	20.67
0830	23.31	18.73	20.36
0900	25.88	18.73	20.36
0930	23.66	19.24	20.88
1000	25.93	20.77	22.47
1030	25.86	20.77	22.47
1100	23.62	18.73	20.38
1130	30.80	18.73	20.88
1200	30.78	20.77	22.48
1230	30.83	20.77	22.46
1300	30.42	19.23	20.88
1330	22.86	18.73	20.34
1400	22.64	18.73	20.34
1430	21.15	19.03	20.66
1500	21.15	17.06	17.06
1530	21.15	19.03	20.65
1600	22.51	17.09	17.09
1630	25.07	19.03	20.65
1700	25.09	19.03	20.65
1730	25.08	19.04	20.66
1800	23.88	21.14	22.83
1830	17.60	21.87	23.58
1900	17.60	21.88	23.58
1930	17.00	21.79	23.47
2000	20.55	21.74	23.41
2030	24.58	19.03	20.64
2100	30.00	19.03	20.64
2130	30.00	19.03	20.64
2200	19.33	17.06	17.06
2230	19.26	17.04	17.04
2300	18.90	17.03	17.03
2330	16.80	17.02	17.02
2400	16.78	17.02	17.02

Prices are determined for every half-hour in each twenty-four hour period. Prices are in pounds per megawatt-hour, rounded to two decimal places. To convert prices to pence per kilowatt-hour the decimal point should be moved one place to the left, eg £19.86/MWh becomes 1.986p/KWh. Provision for the determination of pool prices is made in the Pooling and Settlement Agreements which govern the operation of the electricity pool in England and Wales. The Pool Purchase Price is the basis of the majority of payments made to generators in respect of electricity traded through the pool. The provisional Pool Purchase Price is subject to revision or correction until final pool prices are determined approximately twenty-four days after the day of trading. Pool Selling Price is the price paid by purchasers of electricity under the pool trading arrangements. It is dependent upon the determination of Pool Purchase Price. Final pool prices are also capable of revision.

NGC Settlements Limited

Braced for a second dose of deregulation

Kevin Brown finds an uneasy welcome to plans to further liberalise Australia's airline industry

LESS than 18 months after the Australian government swept away decades of strict regulation, the country's aviation industry is struggling to come to terms with a further dramatic dose of deregulation.

Mr Paul Keating, the prime minister, appeared to offer something for everyone when he announced plans to "revolutionise" the industry by creating a common aviation market in Australia and New Zealand.

The announcement followed calls from New Zealand for greater access to the Australian domestic market, and it seemed to offer significant opportunities to the three big Australian airlines.

However, the Keating plan has added to the confusion in the industry as it counts the cost of two years of economic recession and a bitter fares war sparked by deregulation.

And while the airlines involved have been careful to welcome the proposals, they seem daunted by the dangers of open competition in a joint market of just 20m people.

Under the Keating plan, Qantas, the government-owned international carrier, would gain access to Australian domestic routes next year, and the Tasman Sea route to New Zealand would be opened to Australian Airlines, the government-owned domestic carrier, and Ansett Australia, a private domestic carrier jointly owned by TNT and News Corporation.

A second stage, to be completed by 1994, would create a common aviation border, within which Australian and New Zealand airlines would have unrestricted access to all routes, including the Tasman.

The plan also reverses a government ban on cross-shareholdings between the three Australian airlines, raising the prospect of equity links between Qantas and one of the two domestic carriers.

Mr Keating told parliament that these "great changes to our national transport system will make our continent smaller and our nation greater". But, in the short term, the plan seems more likely to compound the industry's problems.

Lining up for new routes – Ansett aircraft at Melbourne's international airport

● Australian and Ansett are still struggling to come to terms with the abolition of the duopoly they enjoyed until October 1990, when the government deregulated domestic aviation as the economy was heading into recession.

Only one new airline – Compass Airlines – entered the market, but its entry sparked a price war which helped push both big airlines into losses in 1990-91, and ended with the collapse of Compass just before Christmas.

Although fares have since stabilised, Sir Peter Abeles, joint chairman of Ansett, says the airline is likely to make a loss for the year to June because of heavy losses in the first half. Analysts say Australian is in a similar position.

Both airlines face the possibility of renewed competition from mid-year when Compass is expected to re-enter the market following a deal between the liquidator and Southern Cross Airlines, another potential new entrant. Several other airlines are thought to be at the planning stage.

Competitive pressures would intensify if Qantas and Air New Zealand joined the domestic fray. Qantas has about 15,000 vacant seats a week on the Australian legs of international flights, compared with about 120,000 on the two domestic airlines.

● The Keating plan raises questions over the government's efforts to privatise 49 per cent of Qantas and 100 per cent of Australian. The sales have attracted informal interest from British Airways and several Pacific region airlines, including Air New Zealand, Garuda Indonesia, Singapore Airlines, Japan Air Lines and North West Airlines of the US.

However, the regulatory changes will delay progress towards formal offers, while the potential bidders consider the unpredictable consequences of the new regime. Qantas, for example, might gain from the ability to sell empty seats to domestic passengers, but could lose from increased competition on the Tasman.

Mr John Ward, chief executive of Qantas, says the announcement leaves the privatisation process "confused". Officials say the sales will almost certainly have to be put back to next year. "It's a mess," says one.

● New Zealand is threatening to block the creation of a common Australasian market unless Air New Zealand is given full international rights for flights passing through Australia.

Mr Rob Storey, New Zealand's transport minister, says these so-called "beyond rights" would "form an integral part" of a single aviation market, and would have to be granted in advance by Australia.

Officials will begin discussions on the issue shortly, but the omens for compromise do not look good. "The Kiwis are just trying it on; there is not a hope that we will agree," says an Australian official.

Even if the beyond rights dispute can be overcome, there seems to be limited scope for further competition on the Tasman, where Qantas and Air New Zealand are already sharing aircraft on some routes because of over-capacity.

Against this background, the package left the airlines distinctly under-whelmed. In the five weeks since Mr Keating announced his proposals, none has come forward with plans to take advantage of them.

Ansett, for example, says it may seek to fly across the Tasman to link its Australian and New Zealand domestic services, but would consider other international operations only in exceptional circumstances.

"It has got to be a very special operation because . . . the European and American markets are so oversupplied with airlines now that it will be a cut-throat operation for a long time," says Sir Peter.

Nor would Ansett seek to purchase a stake in Qantas, because of the government's intention to retain a 51 per cent shareholding. "We like to have control," Sir Peter says.

Mr John Schaap, managing director of Australian Airlines, told an aviation conference recently that Australian would not "charge in at the first opportunity, at any cost" just because it had been given the right to compete for international routes.

"To do so would be a very risky exercise, in which we would be seeking a slice of somebody else's business, and they would seek to protect themselves, possibly by seeking a slice of our established business," he said.

In spite of their caution, the airlines will be investigating their options over the next few months. But with the example of Compass before them, they are unlikely to lose sight of the possible consequences of another fares war caused by overcapacity.

Such a battle, says Mr Schaap, could easily "destroy" one of the airlines. And that, the airlines all agree, is not likely to be in anyone's interests.

ANZ drops partnership plans

By Kevin Brown in Sydney

THE Australia and New Zealand Banking Group (ANZ) yesterday dropped plans for a commercial partnership with National Mutual Life, nearly two years after the Australian government vetoed plans for a A$3.4bn (US$2.6bn) merger.

Mr Will Bailey, ANZ chief executive, said detailed negotiations had failed to find a structure which would allow joint control of important business areas while conforming with federal competition law.

The two groups set up working parties to discuss ways of increasing co-operation after Mr Paul Keating, then Australia's treasurer, blocked the proposed merger on competition grounds in May 1990.

Mr Keating said the merger would have substantially reduced competition in the life insurance market, which is dominated by a handful of banks and pension funds.

The effect of his ruling was to enshrine in law the independence of the country's six biggest financial institutions. ANZ is the second largest bank, and National Mutual is the second largest life office.

Mr Bailey said detailed analysis of the groups' funds management, information technology and product distribution operations had confirmed that a merger was "clearly the best option for both parties".

He said the groups had identified areas in which gains could be made from joint control, but had been "unable to find a structure which would meet each company's requirements and also fall within the government restrictions".

However, Mr Bailey said the two groups would co-operate on broader commercial issues such as capital raisings, systems costs and distribution of a limited range of products.

Mr Gil Hoskins, managing director of National Mutual, said policy-holders would benefit from "a loose alliance which leaves scope for the development of other connections and arrangements within the financial sector".

He said ANZ wanted to maintain an independent position in the superannuation and life insurance markets rather than enter a partnership short of a merger.

"Therefore it is impractical to continue to be aligned with them," he said.

New World up 166%

By Simon Holberton in Hong Kong

MR CHENG Yu Tung's New World Development has exceeded expectations with a 166 per cent rise in interim net earnings, to HK$939.2m (US$121m) from HK$352.4m, in the six months to December 31.

This marks a significant improvement for New World, which earned a net HK$1.16bn in the year to June 20 1991. A dividend of HK 21 cents was declared, up 31 per cent from HK 16 cents last time.

Directors said they expected even better results in the second half. They said the outlook was encouraging, given south China's economic development and the determination of Beijing to quicken the pace of economic reform in China.

New World is one of Hong Kong's biggest hoteliers and property developers, with interests throughout Asia, and the US. It also has interests in southern Chinese infrastructure developments and transport in Hong Kong.

During the half-year, income from property sales rose HK$471.7m to HK$644.9m. Profits from hotels and restaurants rose 35 per cent to HK$283m, while rental income rose 11.4 per cent to HK$525.2m.

The company said its hotel occupancy levels had improved during the last half of 1991 and this had continued into this year. In China, where the market has been depressed, higher tourist arrivals were expected to underpin better results.

In the first half, Ramada International Hotels and Resorts opened 13 hotels worldwide.

Wellcome names lead managers for share sale

By Maggie Urry

WELLCOME Trust, the medical charity, has appointed lead managers for its planned international sale of shares in Wellcome, the drugs group. The trust is aiming to reduce its stake from 73.6 per cent to under 50 per cent and possibly as low as 25 per cent.

The sale is expected in July, although timing will depend on market conditions. At yesterday's closing share price of £10.49, up 27p, the sale could raise £4.4bn. That would make it the largest private-sector sale in the UK. As such, it carries a lot of prestige and may prove to be a highly profitable sale for the lead managers.

Although all the managers appointed are leading houses, there will be disappointment among those that have not been selected. Salomon Brothers, for example, was understood to have hoped to manage a portion of the US tranche. However, Salomon was apparently ruled out because its analysts had not written research on Wellcome in the US and under US rules

INTERNATIONAL EQUITY ISSUES

could not start doing so when an offer was under way.

The trust must gain the consent of the High Court to cut its stake below 50 per cent. A hearing is expected in the second half of April.

The share sale is to be run along the lines of the BT sale last autumn when a substantial stake in an already quoted company was sold. In that sale, large investors were asked to put in bids for shares in order to assess demand and set a price.

The final structure of the sale has yet to be determined. The proportions allocated to different markets will depend on local demand, but the same price will prevail in all markets.

Wellcome was involved in the appointment of the lead managers and said yesterday that it gave full support.

Robert Fleming, the merchant bank, had already been appointed as global co-ordinator for the sale while Baring Brothers advises the company.

The regional syndicates' lead managers are Cazenove and S G Warburg Securities in the UK; Morgan Stanley, Lehman Brothers and Merrill Lynch in the US; Nikko Securities and Nomura Securities in Japan; Swiss Bank Corporation in Switzerland; Crédit Lyonnais and Banque Indosuez in France; Dresdner Bank and Deutsche Bank in Germany and Jardine Fleming for the Pacific Rim.

Robert Fleming will cover the rest of the world including European countries not covered individually, Canada and the Middle East.

Hyundai founder to relinquish shareholding

By John Burton in Seoul

MR Chung Ju Yung, the founder and former chairman of Hyundai, the Korean conglomerate, says he will relinquish his shareholder's rights in the group's 14 concerns to concentrate on his new-found political role.

Mr Chung is likely to transfer most of his shares, valued at $2.6bn, to his younger brother, Mr Chung Se Yung, the Hyundai chairman.

Mr Chung said, however, he may sell some of his shareholding to raise funds for his new political party, the Unification National Party (UNP), which gained a pivotal parliamentary position in last week's National Assembly elections.

The disposal of the shares is also aimed at increasing the UNP's popular appeal by distancing it from Hyundai.

Bank Hapoalim set back by farm debt legislation

By Hugh Carnegy in Jerusalem

CONTROVERSIAL legislation enforcing the forgiveness of agricultural debt hit another of Israel's banks yesterday when Bank Hapoalim – the country's largest in terms of asset value – reported a 26 per cent fall in 1991 net profits, down to Shk135.7m ($56.3m) from Shk183m the previous year.

The legislation, which requires banks to write off big chunks of the outstanding Shk2bn debt of the Moshavim collective farms, was passed by the Knesset earlier this month. The Bank of Israel has advised commercial banks to make the resulting provisions in their 1991 accounts.

Bank Hapoalim, the last of the five leading banks to report, had to double its planned provisions for the agricultural sector to Shk492m, pushing overall provisions up 47 per cent to Shk991m.

Although it managed to stay in the black – unlike its chief rival, Bank Leumi – Bank Hapoalim saw a potential significant advance turned into a decline. Return on capital fell to 4.7 per cent from 6.2 per cent the previous year.

The bank, controlled by the Histadrut trade union federation but majority-owned by the government, said that in other respects it had improved performance. Financing income, at Shk2.1 bn, was up almost 8 per cent, an improvement attributed to loan portfolio restructuring and improved margins.

Non-financing income rose by 11.5 per cent to Shk935m as the bank increased its activities in areas such as brokerage and underwriting. The contribution from subsidiaries and affiliates increased to Shk54m from Shk25m. Total assets were down 2 per cent at Shk84.7bn.

PosGold wins investor support for ACM deal

By Kevin Brown

POSEIDON Gold (PosGold), part of Mr Robert Champion de Crespigny's Normandy Poseidon group, looks set to achieve one of two attempted mergers after shareholders in ACM Gold voted in favour by a narrow margin.

The merger was approved by a margin of less than 1 per cent of investors, reflecting dissatisfaction among some small shareholders about the terms offered by PosGold.

However, the vote means Mr de Crespigny has won approval for the more important element of his plans to turn PosGold into Australia's third largest gold producer, with annual production of more than 700,000 ounces.

The plan suffered a setback when shareholders in Mount Leyshon Gold Mines voted for a merger with PosGold, but by an insufficient margin to satisfy the company's articles of association.

The merger proposal is part of a simplification of the Normandy Poseidon group structure. It would also give PosGold direct control of Mount Leyshon and ACM Gold assets.

ACM Gold is 40 per cent owned by Normandy Poseidon following a recent joint takeover of Australian Consolidated Minerals with Western Mining Corporation. Mount Leyshon is 49 per cent owned by PosGold.

Mr de Crespigny is expected to offer improved terms to Mount Leyshon shareholders, some of whom have indicated they would accept an offer which provided a premium for control.

If the two deals go through, PosGold will have a strong presence in three of Australia's biggest gold provinces – Kalgoorlie, Tennant Creek and Charters Towers.

BHP seeks approval for takeover of NZ Steel

By Terry Hall in Wellington

BHP, Australia's largest company, is seeking statutory approval to mount a full takeover of New Zealand Steel, from authorities in both countries. NZ Steel is a world leader in advanced technology to convert iron to steel.

A previous bid by BHP met with opposition in both countries on monopoly grounds. BHP is the only significant steel producer in Australasia.

This is the latest twist in a lengthy battle for control of the plant, which was expanded by the National government in the early 1980s as part of a "think big" strategy to make New Zealand industrially independent and create jobs. One of the Labour government's first acts in 1985 was to announce it was selling its controlling shareholding.

It had to write off NZ$1.5bn (US$822m) before selling the Glenbrok mill to Equiticorp for NZ$327m in 1987.

NZ Steel was then sold to a joint venture between BHP and various New Zealand-based interests for NZ$323m, against opposition from Fletcher Challenge.

To secure control of NZ Steel, BHP is again seeking approval from the Australian Trade Practices Commission which opposed BHP gaining a shareholding in 1989 on the grounds that NZ Steel was one of BHP's few competitors in the Australian market.

It took court action to secure a compromise with BHP who undertook not to inhibit NZ Steel from marketing steel products in Australia and to seek approval before seeking to increase its shareholding.

The New Zealand Commerce Commission approved the takeover.

The commission said that BHP effectively controlled New Zealand Steel through a joint venture with Steel and Tube, a New Zealand-based metals concern which was part of the consortium making the bid, and which in turn was controlled by another BHP subsidiary Tubemakers of Australia.

The other members of the consortium are Fisher and Paykel and the ANZ Banking Group.

Mr Scott Kerr, managing director of BHP Trading in New Zealand, said that NZ Steel needed an injection of capital which the other shareholders were not in a position to contribute.

BHP wanted to finance capital spending at the mill, he said. This would lead to economies within the company with opportunities to rationalise exporting and freight costs, he added.

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A natural phenomenon has just occurred at Japan's oldest and best-established bank. We've changed our name to Sakura Bank, and burst forth with greater commitment to get closer to customers. A natural choice, since Japan's sakura cherry blossom is synonymous with growth and prosperity — things we've stood for all along — and since 300 years of global experience has taught us that a bank succeeds best when it understands the basics. Nurturing customer relationships, providing top-quality service, developing innovative products to meet [illegible] business needs. Now flourishing worldwide, Sakura Bank has over [illegible] offices in 31 countries, plus more than 600 locations in Japan – the largest domestic banking network. We're No.3 worldwide in total assets, and a world leader in corporate and commercial banking with more bond issues and M&A transactions than any other Japanese financial institution. Watch your business bloom. We've helped many of the largest and most successful companies in the world get that way, and we can help you, too. Because while we have a new name, our roots are still firmly planted, our branches are stronger than ever, and it's the season for new growth. A natural fact for the sakura cherry blossom, a natural fact for Sakura Bank.

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As of today, we have upgraded our Milan representative office to branch office status so that it may serve a wider range of banking and investment needs.

General Manager: Katsusuke Taniyama
Address: Piazza San Babila, 3, 20122 Milano
Telephone: 02-76021247 Telefax: 02-782438 Telex: 331839 MITKBK I

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INTERNATIONAL CAPITAL MARKETS

Norway and Abbey National launch ambitious deals

By Simon London

TWO bold new issues finally broke a period of drought in the international bond market, with Norway and Abbey National launching substantial benchmark deals.

Norway came with a $1bn five-year offering, lead-managed by Deutsche Bank Capital Markets, which underwrote around 60 per cent of the deal. The 7¼ per cent paper was priced to yield 25 basis points more than US Treasury bonds, a level seen as fair by market participants.

INTERNATIONAL BONDS

Demand for Eurodollar bonds remains lacklustre and the deal was seen as ambitious in scale by underwriting firms. Some said that only 55 per cent of the bonds had been placed with investors by the end of the day; others estimated up to 80 per cent of the paper was firmly in the hands of investors.

Against this, Norway's earlier $1bn five-year Eurodollar issue was launched in November last year to yield 28 basis points more than US Treasuries and was yesterday trading at a yield spread of 12 to 15 basis points. The good performance of the earlier deal had encouraged investors to buy new bonds, syndicate officials said.

Buying was reported from central banks, which are mostly restricted to buying large, sovereign bond issues. Many firms also saw interest from institutional investors in Asia.

The paper was re-offered to investors at a fixed price of 99.58, and by the close of trading in London was quoted by the lead manager at 99.65 bid, for a yield spread of 26 basis points over US government bonds.

In the afternoon, **Abbey National** surprised the market with a £250m five-year issue, wholly underwritten by Barclays de Zoete Wedd.

The 10½ per cent bonds were priced to yield 30 basis points more than UK government bonds, seen as aggressive by many market participants. However, BZW said that it had identified firm demand for the bonds – including demand from a specialist investor requiring a sterling asset to back a structured financing.

The issue follows recent 25-year and 10-year subordinated Eurosterling issues by Abbey National. Mr Gareth Jones, treasurer, said that the creation of liquid benchmarks would ease Abbey National's path to the sterling bond market in future. The paper was re-offered to investors at a fixed price of 99.498, a level held by BZW until the close of trading.

Prudential Funding Corporation, the funding subsidiary of the US insurance company, launched a C$125m five-year issue, lead-managed by UBS Phillips & Drew. The retail-targetted paper was designed to attract investors with maturing Canadian dollar bonds and a positive view of the outlook for the currency.

The 9⅛ per cent bonds were re-offered to investors at a fixed price of 99.625, for a yield spread of 47 basis points more than Canadian government bonds.

NEW INTERNATIONAL BOND ISSUES

Borrower	Amount m.	Coupon %	Price	Maturity	Fees	Book runner
US DOLLARS						
Kingdom of Norway(a)†	1bn	7.25	99.58	1997	25bp	Deutsche Bk.Cap.Mkts.
Nankai Elec. Railway(a)◊	300	3.375	100.00	1996	2.25/1.5	Daiwa Europe
Republic of Turkey(b)†	250	8.50	100.00	1997	-	Bankers Tst. Intl.
STERLING						
Abbey Nat. Treas. Servs(c)†	250	10.50	99.498	1997	(c)/0.1	BZW
Leeds & Holbeck B.S.(d)§	25	13.375	100.227	(d)	(d)	Hoare Govett
CANADIAN DOLLARS						
Prudential Funding Corp(a)†	125	9.125	101.25	1997	1.875/1.625	UBS Phillips & Drew
YEN						
Japan Airlines(a)†	30bn	6.00	101.40	1999	1.875/1.7	Nomura Intl.
D-MARKS						
Shinko Wire Co.(a)◊	60	5.125	100.00	1996	2.25/1.5	Yamaichi Bk (Deutsche)
SWISS FRANCS						
Hokkaido Gas Co.(a)◊**	50	4.00	100.00	1996	-	Yamaichi Bk (Switz.)

**Private placement. §Convertible. ◊With equity warrants. ‡Floating rate note. †Final terms.a) Non-callable. b) Amount increased from $200m. Coupon payable semi-annually. c) Total fees undisclosed. Non-callable. d) Undated subordinated notes, mandatorily convertible into Permanent Interest Bearing Shares (PIBS). Coupon payable semi-annually. Fees undisclosed.

NANKAI Electric Railway of Japan yesterday saw a muted response to its substantial $300m five-year warrant bond issue, writes Simon London. The deal, lead-managed by Daiwa Europe, was issued at par, but traded down to 98¼ bid by the close of trading, just inside full fees of 2¼ per cent.

The deal's performance will be watched by other Japanese companies looking to raise funding to refinance maturing warrant and convertible bond issues. In total, $36bn warrant and convertible bond issues by Japanese companies mature this year, rising to $84bn in 1993. Up to 80 per cent of the issues are currently "under water" – the exercise price is above the share price.

Where the warrants to buy new shares are not exercised, the companies will have to repay the bonds either out of cash flow or by raising additional finance.

Jenkins named to new post of Fox chairman

By Tracy Corrigan

MR Michael Jenkins, chief executive of the London International Financial Futures and Options Exchange (Liffe) since its inception in 1981, is to take up a new position as non-executive chairman of the London Futures and Options Exchange (Fox), the troubled commodity futures exchange.

Jenkins: 'needed a change' after Liffe merger

Mr Jenkins was one of the driving forces behind Liffe's long-awaited merger with the London Traded Options Market last month. With the completion of the merger, which had been dogged by disagreements, and Liffe's move to new premises, Mr Jenkins felt he "needed a change".

Although it is not a full-time job, his new post is unlikely to prove more tranquil. The London Fox was thrown into disarray last autumn by revelations that the exchange had artificially boosted trading volume in some contracts.

Mr Andrew Large, who took over as chairman on a temporary basis in the wake of the scandal, is taking up the chairmanship of the Securities and Investments Board on June 1. Mr Jenkins is to join the Fox board immediately and will become chairman shortly before Mr Large's departure.

However, Mr Jenkins will remain chief executive of Liffe until his 60th birthday in October. A small group of Liffe board members have been given the task of finding a successor, whose most difficult challenge will be to revive the UK equity options market following the merger with LTOM.

The Fox board will now focus on the search for a new chief executive, a position held on a temporary basis by Mr Phillip Thorpe. An internal review of the exchange's business is currently in progress.

The exchange lost some ground to New York following the scandal. Since then, the exchange's policy has been to concentrate on core products in soft commodities such as cocoa and sugar contracts. This emphasis on soft commodities is expected to continue under the new leadership.

"There is room for a soft commodities exchange in Europe, and Fox is the only candidate," said Mr Jenkins.

The property futures contract at the centre of the rigging scandal may yet be revived by Liffe. Liffe is currently in discussions with a group of property market participants to decide whether the contract is viable.

However, speculation that Mr Jenkins' appointment suggested that Liffe and Fox would ultimately link were rejected by both exchanges.

● Liffe has announced a further rights issue designed to increase the number of trading permits available for dealing in the exchange's futures contracts.

The shortage of trading permits has been exacerbated by growing activity this year, and Liffe's move to its new Cannon Bridge headquarters at the start of the year has provided more room for new traders.

The exchange is to issue 466 E shares, which will authorise trading in mainly non-sterling interest rate products. The aim is to free up existing A shares for use in trading sterling products.

The new permits are expected to be available before the launch in May of the exchange's three-month Eurolira contract, for which a designated broker system has now been put in place.

Treasuries ease as consumer confidence shows upturn

By Patrick Harverson in New York and Richard Waters in London

US TREASURY prices eased at the long end but held firm among the shorter-dated issues, with the release of a mixed bag of economic statistics – which were, on balance, unfavourable to the market.

GOVERNMENT BONDS

By late morning, the benchmark 30-year government bond was down ⅞ at 100⅛, yielding 7.960 per cent. The two-year note was unchanged, however, at 100¼, yielding 5.599 per cent.

Prices had traded weaker early in the day in anticipation of the economic figures. When news of a rebound in consumer confidence and an improvement in some regional purchasing managers' reports came through, the market did not flinch because the data had already been discounted.

The statistics backed up recent evidence that economic activity and sentiment was slowly picking up. The Conference Board's March consumer confidence index showed a rise from 47.3 per cent to 54 per cent, although the board warned the level of confidence was still "less than reassuring".

Purchasing management indices from Chicago and Detroit also showed increases, as did February leading economic indicators.

■ A REPORT that Mrs Edith Cresson, the French prime minister, had tendered her resignation gave a boost to the French government bond market yesterday and helped set the tone for other European markets during the day.

The market had been looking for Mrs Cresson to be replaced for some time, and gained further confidence from speculation that she would be replaced by Mr Pierre Bérégovoy, the finance minister.

Though not confirmed during trading hours yesterday, the report helped to push French bonds up by ¼ point on the day, with the June bond future closing at 107.62, up 0.24 on the day.

With the yield on 10-year German bonds static at just over 8 per cent, the yield spread between the German and French markets narrowed on the day: from 72 basis points, equal to its high of recent weeks, the spread tightened to 67 basis points.

Confirmation of the news would push bonds further ahead, analysts said, with the general view being that the spread over bunds would come down quickly to around 60 basis points or below.

■ GERMAN government bonds were supported by the strength of the French market, with cash bonds ending generally slightly firmer on the day. The bund market was unnerved early on by inflation figures reported by Bavaria (among the last four states to report March inflation figures yesterday): these showed a 0.3 per cent rise on the month, to an annual level of 5 per cent, a figure which caused some consternation.

However, the month-on-month rise was in line with the expected national average, and there is expected to be confirmation today that the overall rise during March had taken inflation to 4.7 per cent, in line with market expectations.

■ POLITICAL concerns continued to stalk the UK government bond market, with long gilt futures falling early in the day on a report that government finances were in a worse state than either main political party was admitting, and again later on a report that the latest opinion poll had shown a marked increase in the showing of the opposition Labour party.

■ STRONG reports that Japan's long-expected official discount rate cut would finally come today – and that, at 0.75 percentage point, would be larger than generally expected – gave the Japanese government market a strong start to the day. However, from an opening yield of 5.27 per cent on the benchmark no 129, prices fell during the day, with the yield rising to 5.315 per cent by the close.

BENCHMARK GOVERNMENT BONDS

		Coupon	Red Date	Price	Change	Yield	Week ago	Month ago
AUSTRALIA		10.000	10/02	101.0469	+0.084	9.84	10.10	10.05
BELGIUM		9.000	08/01	100.8000	+0.200	8.86	8.90	8.63
CANADA *		8.500	04/02	98.0500	-0.450	8.80	8.73	8.38
DENMARK		9.000	11/00	100.4500	-0.250	8.91	8.89	8.50
FRANCE	BTAN	8.500	03/97	98.2209	+0.191	8.95	9.02	8.69
	OAT	8.500	11/02	98.7500	+0.240	8.67	8.70	8.42
GERMANY		8.000	01/02	99.9500	-0.010	8.00	8.02	7.82
ITALY		12.000	02/02	97.7500	+0.150	12.40†	12.33	12.14
JAPAN	No 119	4.800	06/99	95.9098	-0.197	5.59	5.61	5.70
	No 129	6.400	03/00	106.0460	-0.269	5.32	5.35	5.38
NETHERLANDS		8.250	02/02	99.0500	+0.060	8.39	8.40	8.18
SPAIN		11.300	01/02	102.0600	+0.080	10.92	10.97	10.85
UK GILTS		10.000	11/96	99-12	-05/32	10.16	10.00	9.40
		9.750	08/02	99-04	-08/32	9.88	9.77	9.28
		9.000	10/08	94-25	-08/32	9.84	9.55	9.11
US TREASURY *		7.500	11/01	99-19	-07/32	7.56	7.59	7.33
		8.000	11/21	100-05	-15/32	7.98	8.02	7.85

London closing. *denotes New York morning session. Yields: Local market standard
† Gross (including witholding tax at 12.5 per cent payable by non-residents.)
Prices: US, UK in 32nds, others in decimal. *Technical Data/ATLAS Price Sources*

MARKET STATISTICS

FT/ISMA INTERNATIONAL BOND SERVICE

Listed are the latest international bonds for which there is an adequate secondary market. Latest prices at 6:10 pm on March 31

U.S. DOLLAR STRAIGHTS | Issued | Bid | Offer | Chg. day | Yield — OTHER STRAIGHTS | Issued | Bid | Offer | Chg. day | Yield

[illegible]

DEUTSCHE MARK STRAIGHTS — FLOATING RATE NOTES

[illegible]

SWISS FRANC STRAIGHTS — CONVERTIBLE BONDS

[illegible]

YEN STRAIGHTS

[illegible]

* No information available - previous day's price
† Only one market maker supplied a price

STRAIGHT BONDS: The yield is the yield to redemption of the bid-price; the amount issued is in millions of currency units. Chg. day=Change on day.
FLOATING RATE NOTES: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. Spread=Margin above six-month offered rate (three-month above mean rate) for US dollars. C.cpn=The current coupon.
CONVERTIBLE BONDS: Denominated in dollars unless otherwise indicated. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

RISES AND FALLS YESTERDAY

	Rises	Falls	Same
British Funds	6	43	31
Other Fixed Interest	1	5	11
Commercial, Industrial	195	390	886
Financial & Property	56	223	511
Oil & Gas	12	25	50
Plantations	0	3	6
Mines	29	22	96
Others	34	50	53
Totals	333	761	1,644

LONDON RECENT ISSUES

EQUITIES

Issue Price	Am'nt Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price	+or -	Net Div	Times Cov'd	Gross Yield	P/E Ratio
[illegible]											

FIXED INTEREST STOCKS

Issue Price £	Amount Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price £	+or -
[illegible]							

RIGHTS OFFERS

Issue Price p	Amount Paid up	Latest Renunc. Date	1991/92 High	1991/92 Low	Stock	Closing Price p	+or -
[illegible]							

... Forecast or estimated annualised dividend rate, cover based on previous year's earnings. x Ex-dividend. F Dividend and yield based on prospectus or other official estimates for 1992-93. H Dividend and yield based on prospectus or other official estimates for 1991. L Estimated annualised dividend, cover and p/e based on latest annual earnings. M Dividend and yield based on prospectus or other official estimates for 1991-92. N Dividend and yield based on prospectus or other official estimates for 1992. Q Gross. R Forecast annualised dividend, cover and p/e ratio based on prospectus or other official estimates. W Pro Forma figures. ‡ Offered to holders of ordinary shares as a "rights". † Introduction. § Placing price. †† Reintroduction. ‡ Unlisted securities market. ◊ Issued in connection with reorganisation, merger or takeover. pm Price at a premium.

TRADITIONAL OPTIONS

- First Dealings — March 30
- Last Dealings — April 10
- Last Declarations — July 9
- For settlement — July 20

3-month call rate indications are shown on this page.

Calls in: Astec (BSR), Brent Walker, Cluff Resources, Lonrho, Premier, Tarmac and Thames TV. Put & Call: Lonrho.

LONDON TRADED OPTIONS

[illegible]

Option		May	Aug	Nov	May	Aug	Nov
Brit Aero (*302)	300	22	34	41	15	25	35
	330	11	23	28	37	44	50
BAA (*555)	550	31	45	60	15	26	32
	600	8½	22	36	47	55	60
Hillsdown (*170)	160	17	20	23	6½	9	11
	180	5½	10	15	18	20	23
Lonrho (*66)	60	17	21	23	6	10	13
	70	10½	16	19	11	16	19

March 31 Total Contracts 31,677
Calls 20,401 Puts 11,276
FT-SE Index Calls 9,703 Puts 6,555
Euro FT-SE Calls 1,529 Puts 1,089
Eurotrack 100 Index Calls 0 Puts 0
*Underlying security price. † Long dated expiry months
Premiums shown are based on middle prices.

TRADITIONAL OPTION 3-month call rates

■ INDUSTRIALS	p								
Allied-Lyons	49	Charter Cons.	37	Ladbroke	17	Sears	8	■ OILS	
Amstrad	5½	Comm Union	32	Legal & Gen	27	SmKl Bchm A	55	Aviva Pet	30
Astec (BSR)	3	*Courtaulds*	39	*Lex Service*	18	TI	48	BP	21
BAT Inds	50	Eurotunnel	34	Lloyds Bank	29	TSB	9½	Burmah Castrol	38
BOC	49	FKI	5½	Lonrho	15	Tesco	19	Conroy Pet	8
BTR	32	FNFC	8	Lucas Inds	10½	Thorn EMI	58	Gaelic Res	½
Barclays	30	Forte	18	Marks Spencer	24	T & N	11½	Premier Cons	2½
Blue Circle	20	GKN	26	Midland Bank	19	Unilever	70	Shell	33
Boots	33	Gen Accident	31	NatWest Bank	23	Vickers	12	Tuskar Res	½
Bowater	58	GEC	15	P & O Dfd	30	Wellcome	72	■ MINES	
Brit Aerospace	30	Glaxo	59	*Racal Elect*	5	■ PROPERTY		RTZ	42
British Steel	6	Grand Met	70	RHM	16	Brit Land	18		
Brit Telecom	24	GRE	10	Rank Org	52	Land Sec.	32		
Cadburys	33	Hanson	16	Ratners	3	MEPC	26		
		ICI	90	Read Intl	39	Mountleigh	1½		

COMPANY NEWS: UK

Croda at £21m but sees strong start to year

By Richard Gourlay

CRODA International, the chemicals group, reported annual results broadly in line with industry expectations after significant cost cutting in the face of recession.

Pre-tax profits for 1991 fell from £33.7m to £21.3m on sales down 4 per cent at £362.6m.

Earnings per share fell from 17.45p to 10.9p and a reduced final dividend of 4.75p gives a total for the year of 7.5p, down 32 per cent on 1990, in line with the interim statement.

Mr Keith Hopkins, chief executive, said that sales in the first two months of this year were "well up" on comparable months last year as a result of stronger demand for chemicals for the cosmetics and packaging industries.

Gearing was unchanged from the half-year at 39 per cent although the interest charge nearly doubled to £6.1m as less interest was capitalised. Capital expenditure, which at £16m last year represented the end of a large investment programme, was likely to fall to £13m this year.

Mr Hopkins said the group was concentrating on expanding foreign markets, particularly in Europe and the US, as only 52 per cent of sales were currently overseas, a relatively low level for the chemical industry.

● COMMENT

Croda is closer to the consumer than most chemical companies, so it is not surprising that its sighting of recovery has come before its competitors. Having taken out significant costs this year, it is well positioned to take advantage of the recovery. This, however, may be restricted by the higher interest charge coming through now that the large capital spending programme has been completed and less interest is being capitalised. While some brokers are forecasting pre-tax profits close to £37m, a figure of £25m seems more likely, giving earnings of 12.6p and a prospective multiple of 13.

European Motor calls for £17.4m in rights

By Jane Fuller

EUROPEAN MOTOR Holdings, the motor group launched out of Cargo Control last autumn, is raising £17.4m in a rights issue and buying the car wash equipment market leader.

The 4-for-3 issue of 17.4m shares at 105p each, will mostly be used to fund the cash and shares acquisition of Casemount, parent company of Wilcomatic.

The deal consists of a £5.5m purchase price, in 3.59m shares and £1.7m cash, plus the repayment of £12.9m debt. EMH's shares were suspended last week at 123p.

Mr Richard Palmer, chief executive, said about £4m of the issue proceeds would be left over to repay EMH's debt, leaving the combined group ungeared on net assets of about £14.5m.

Wilcomatic's 2,200 machines carried out 52m car washes last year. Founded 25 years ago, it was the subject of a management buy-out via Casemount in 1989. In the year to February 1 Casemount made an operating profit of £2.33m on turnover of £15.2m.

It is EMH's second purchase in six months. Last October it bought Thomas Robinson's motor dealership business for £7.1m, which was accompanied by a share issue to raise £9.5m. Robinson was then under the care of a company doctor and has since been taken over by BM Group, the industrial holding group.

That deal marked the launch of EMH out of the ashes of Cargo Control, which had suffered substantial losses at Transequip, its aircraft container manufacturing subsidiary. Cargo's pre-tax losses amounted to £735,000 for the six months to September 30.

Mr Palmer, who built up Western Motors between 1987 and March 1990 when it was sold for £100m to TKM, said: "Most of last year was spent sorting out the company and we sold Transequip, which was the most haemorrhaging subsidiary."

The combined group is forecast to have annual profits of just over £4m on turnover of more than £80m.

Too deep a hole to dig itself out of easily

Vanessa Houlder on how Speyhawk has fallen prey to the property market collapse

SPEYHAWK's huge losses are further confirmation of the forces that have pushed the UK commercial property industry into the worst decline since the 1930s.

Its pre-tax loss of £217m for the year to September 30 may not be a record for stricken UK developers – Rosehaugh produced a pre-tax loss of £227m for the year to end-June. It is however a remarkably steep decline. A year ago, it announced a pre-tax loss of just £2.86m and net assets of £140.5m.

Nonetheless, many City commentators saw Speyhawk's fall as merely a matter of time. As a developer with a large number of unlet buildings under construction, it was badly exposed to the property slump. Its only hope of avoiding the consequences was in attracting a partner with deeper pockets. This prospect crumbled in August 1990 when Nordstjernan, a Swedish property company, pulled out of a deal to buy Speyhawk after the invasion of Kuwait.

Speyhawk encapsulates two of the worst problems in the UK property market, the parlous state of the City office market and the plummeting values of development sites. Over half of its £205m provisions are due to two City buildings, which are worth around half their construction costs. One, at St Mary Axe, is 155,000 sq ft; the other, built over Cannon Bridge is 195,000 sq ft, of which 100,000 sq ft is let to Liffe, the financial market.

In a City market, where nearly one in five office buildings are empty, it could take years for Speyhawk to fill its buildings. Even if Speyhawk succeeds in securing a tenant, it is likely to be for significantly less than the asking rent of £45 per sq ft. Worse still, tenants are insisting on rent-free periods of at least two years, leaving a large hole in Speyhawk's cash flow.

The next largest contributor to Speyhawk's huge losses are its development sites such as Weymouth town centre and the old ITN building have been slashed to a quarter of their former value. Development site values are particularly sensitive to market conditions as their worth lies in the difference between the buildings' potential value and their potential cost.

Speyhawk's task in digging itself out of this hole is a large one. Its 30 properties are half empty on average. Unless it can let the buildings, it cannot hope to sell them. Last year it made just £75m of sales, compared with £200m.

Mr Osborne is upbeat about the prospects of an increase in values. "We have agreed a four-year period with the banks so that we don't need to sell at these levels." He reports a "healthy level" of enquiries at Thames Business Park and reckons that in two years time, the City rental market will have improved.

The idea that they would be selling at the bottom of the market is the main reason for the banks' decision to support Speyhawk. A forced sale would send prices down into another downward spiral. In any case, there is no obvious market for unlet buildings.

That said, it is still no mean achievement to get agreement between so many banks. The final agreement, which has taken since last August, has yet to be signed. Speyhawk has 46 banks worldwide, led by Barclays and Citibank, and debts of £303m.

This total includes Speyhawk's off balance sheet loans, as their covenants were broken and they had to be considered with the rest of the debt. "I have come to the conclusion that non-recourse debt is a concept rather than reality," says Mr Osborne.

After a standstill on debt repayments since last August, Speyhawk has agreed with its banks to reduce its debts over a four-year period. The banks will not need to put new money into the company.

Shareholders will receive information on the restructuring, which will include a reorganisation of share capital, when a final agreement is reached with the banks. Liabilities exceed assets by £70m but the banks have agreed to subordinate part of their debt to keep the company solvent.

The pre-tax losses of £217m were struck after provisions of £205m. Turnover decreased by 71 per cent to £76.4m. The loss per share was 529.7p (27.8p).

In some ways, Speyhawk's decline marks full circle for the 1980s development boom. Speyhawk was first of a wave of property developers to join the stock market during the 1980s. Now, nearly all of them have either been taken over, or have run into severe difficulties.

A remarkable aspect of the end of this era is how few have been put in receivership. For all the severity of the decline, the boom is ending not with a bang but a whimper.

Clouds gather over Speyhawk's Cannongate development in London

BNB Resources tumbles to £2.6m

By Peggy Hollinger

PROFITS AT BNB Resources, the recruitment, training and advertising group, tumbled 40 per cent, from £4.5m to £2.6m pre-tax, in 1991 as the recession put severe pressure on fees.

Mr David Norman, chairman, said the results were "more than respectable" against the "worst trading conditions experienced in our industry sectors in more than a decade". UK demand for recruitment advertising and selection had fallen by 40 per cent.

He warned that the first six months of this year would continue to be difficult, but some growth was expected by the second half.

The result, struck on turnover 16 per cent lower at £54.9m, was buoyed by interest gains of £1.3m (£1.9m). The group had £7.5m cash after the £2.8m purchase of ATC, the chartered accountant training company, at the end of the year.

Mr Norman said BNB "may well spend the money on acquisitions" and suggested that the next significant purchase was likely to be in the training sector.

The decline in profits masked a strong showing from the executive search business, which increased its contribution by more than 20 per cent. Profits in the human resources division overall fell by 19 per cent to £2.07m, following a 33 per cent drop in advertising revenues. Further declines in this division had been halted through a £100,000-plus restructuring programme.

The regional communications business incurred a £45,000 loss (£399,000 profit), largely from a sharp decline in profits in Scotland. The other two regional businesses, in Manchester and Birmingham, were expected to return to profit this year following significant cost-cutting, said Mr Norman. "I think we have got the cost base right, but demand is static to say the least," he said.

Earnings per share fell by 6.2p to 3.3p. The final dividend is 3.3p for a total of 4.9p (4.6p).

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corres - ponding dividend	Total for year	Total last year
African Lakes ....fin	2	Jun 18	2	2	2
Avonmore Foods ....fin	1.65♣	Jun 12	1.5	3	2.75
Bilston Enamels§ .....fin	nil	-	1.25	nil	3
BNB Resources ......fin	3.3	May 29	3.1	4.9	4.6
Clinton Cards ....fin	2.25	May 29	3.75	3.75	5.25
Croda Intl ....fin	4.75	July 6	6.9	7.5	11
Estates & Gen ....fin	2.525	July 2	2.525	3.75	3.75
Garton Eng ....fin	5.25	July 1	5.25	7	7
Gaskell ....fin	5.5	July 1	5.5	8.5	8.5
Hay (Norman) ....fin	0.64	July 2	0.64	1.14	1.14
Headlam ....fin	1.65	June 2	1.65	2.4	2.4
Jacobs (John I) ....fin	1.4	May 29	1.4	1.9	2.9
Johnston Press ....fin	3.5	May 11	3.25	5.5	5
Macfarlane ....fin	2.49	May 28	2.332	4.24	4.034
Mowat ....fin	nil	-	nil	nil	0.5
Nurdin & Peacock ....fin	3.6	July 6	3.33	5.56	5.2
Servomex ....fin	3.9	-	3.7	5.7	5.4
Swallowfield ....fin	3.9	May 28	3.9	6.1	6.1
TIP Europe ....int	0.64†	May 14	0.56	-	1.82
Trafford Park ....int	0.85	May 15	0.85	-	2.575
Tyne Tees TV ....fin	9.5	June 15	13	14.5	19
Watts Blake ....fin	6.6	July 1	6.6	9.3	9.3

Dividends shown pence per share net except where otherwise stated. †On capital increased by rights and/or acquisition issues. §USM stock. ♣Irish pence.

Johnston Press produces 8.5% rise to £7.6m

By James Buxton, Scottish Correspondent

JOHNSTON PRESS, the Edinburgh-based company which publishes paid-for and free newspapers in England and Scotland, increased pre-tax profit by 8.5 per cent, from £6.74m to £7.6m, in 1991.

The rise was achieved despite a 2 per cent fall in sales to £61.9m, and stemmed from cost control measures and the shedding of production staff as a result of new technology.

Mr Fred Johnston, chairman, whose family controls 52 per cent of the shares, said the newspapers had generally suffered a decline in advertising volumes. Gains in Scotland, where recession had been less severe, was offset by falls in the English newspapers.

Earnings were 18.7p (16.7p). The final dividend is 3.5p, making 5.5p (5p).

NEWS DIGEST

Macfarlane tumbles to £6.85m

PROFITS of Macfarlane Group (Clansman), the Glasgow-based packaging company, continued to fall through the second six months of 1991 and for the full year emerged £2.37m lower at £6.85m pre-tax.

The figure was adversely affected by restructuring costs of £804,000 (£618,000) which were taken above the line this time following changes in accounting standards – previously restructuring charges were taken below the line.

With most group companies exposed to a downturn in business throughout the year turnover fell by 19.4 per cent to £82.66m.

In order to counteract the effects of the recession the directors introduced economies which included substantial reductions in manning levels, stocks and debtors.

In order to reflect their confidence in the underlying strength of the business the directors are proposing to raise the dividend for the year by 5.1 per cent to 4.24p via a final of 2.49p. Earnings fell from 11.91p to 8.97p per share.

Clinton Cards

Clinton Cards, the specialist high street greeting card retailer, showed a loss of £163,000 for the year ended February as some recession-hit customers stayed away from its stores. The comparison was with a pre-tax profit of £5m a year earlier.

Operating profits dropped to £600,000 (£5.8m) despite a 10 per cent staff cut. Net interest charges of £740,000 pushed it into the red.

The final dividend was cut to 2.25p a share making 3.75p (5.25p) total. Losses per share totalled 0.96p (earnings 20.4p).

Turnover rose 17 per cent to £60.3m (£51.4m).

Mowat

Mowat, the USM-quoted property and leisure group, yesterday reported a pre-tax loss of £1.97m for the 15 months to end-September and also revealed that it was holding talks regarding the sale of its housebuilding division.

The loss, which compared with profits of £651,000 for the 12 months to June 30 1990, was struck after taking account of a £5.7m rise in administration expenses to £8.71m and interest charges which more than doubled to £11.5m.

Turnover expanded from £26.6m to £48.8m and operating profits by £3.4m to £9.5m. Leisure activities contributed £22.1m (£4.16m) to turnover and £4m (£2m) to operating profits.

Mr Brian Dunlop, chairman, said the "relative performances of the group's main operating divisions have highlighted the strength of the holiday division".

As a result, it has decided to concentrate all group resources in the holiday division and initiate a phased withdrawal from property development and housebuilding.

Swallowfield

Pressure on prices and margins meant that Swallowfield, a manufacturer of perfumes and cosmetics which obtained a full quote in April, made a reduced profit for 1991 despite increased sales and reduced interest charges.

Profit was down at £2.2m (£2.37m) after net interest payable of £546,000 (£650,000), on turnover ahead at £22.9m (£22.4m).

Earnings per share came out at 14p (16p). A final dividend of 3.9p is proposed, making a same-again total of 6.1p.

Norman Hay

Norman Hay, the general engineering group, fell into losses in 1991 after turnover fell by 19 per cent and it provided £2.17m for relocation and redundancy costs.

Losses worked through at £2.16m, compared with the 1990 profit of £912,000.

However, the dividend is held at 1.14p, the final being 0.64p. Directors were confident they could sustain dividends from earnings in future years following the reorganisation.

Losses emerged at 11.34p (earnings 4.04p).

Baillie Japan

In the six months to February 29 net asset value of Baillie Gifford Japan Trust fell 6.6 per cent, from 596.2p to 556.6p.

Gross income fell from £314,000 to £159,000, and the loss available for ordinary holders increased to £255,000 (£56,000), or to 2.32p (0.6p) per share.

Changes to FT-Actuaries Indices

The following changes to the FT-Actuaries Indices will take effect from today.

Deletions: Barrett (Henry) (FT-A sector 8 – Metals and Metal Forming); Buckingham International (29 – Hotels & Leisure); Cairn Energy (51 – Oil & Gas); Eurocopy (48 – Miscellaneous) ML Holdings (6 – Engineering-Aerospace); PPG Hodgson Kenyon (48 – Miscellaneous); Wheway (7 – Engineering-General).

Additions: Aberforth Smaller Co Tst (71 – Investment Trusts); Alba (5 – Electronics); Bristol Evening Post (30 – Media); Hardys & Hansons (22 – Brewers & Distillers); Menvier-Swain (4 – Electricals); Moorgate Smaller Cos Inv Tst (71 – Investment Trusts); MTL Instruments (5 – Electronics); Secure Trust (70 – Other Financial); Transfer Technology (7 – Engineering-General); Wyevale Garden Centres (34 – Stores).

Reclassifications: Bromsgrove Industries to (7 – Engineering-General from 8 – Metals and Metal Forming); Salvesen (Christian) to (41 – Business Services from 25 – Food Manufacturing).

These reclassifications will also be reflected in the London Share Service.

BCCI liquidators oppose loan discharge

By Raymond Hughes, Law Courts Correspondent

THE LIQUIDATORS of Bank of Credit and Commerce International are opposing a move to discharge a debenture giving the bank a charge over all the assets of Taplute, a company part-owned by Mr Nazmudin Virani's Control Securities.

The High Court yesterday adjourned Taplute's application to cancel the debenture to enable the liquidators to put in evidence.

The dispute stems from a joint venture in September 1989 between Control Securities and Batace, a company controlled by Mr Ghaith Pharaon, a Saudi businessman who has been named by the US Federal Reserve as having acted as a front man for BCCI in purchasing stakes in US banks.

The fruit of the joint venture was Taplute, which bought the Ocarina chain of Spanish hotels from Bass, the brewing group, for £45m.

Mr Philip Heslop QC, for Taplute, told the court that Control and Batace each provided £5m for the payment of the first tranche of the purchase price, the £35m balance being guaranteed by BCCI.

As security for that guarantee BCCI was granted a debenture over all Taplute's assets. Taplute had sought discharge of the debenture and offered BCCI the £124,000 due on overdraft which Taplute claimed was all it owed the bank.

However, last month the liquidators had demanded £7.1m, the additional amount representing £5.8m transferred from Batace to Taplute in September 1990, plus interest.

Taplute denied that it was liable for the additional amount, Mr Heslop said.

He read evidence in which Mr Virani stated that Taplute's account at BCCI showed that in September 1990 it had received equal contributions from Control and Batace towards the £11.6m second tranche due to Bass.

However, Mr Heslop said, the liquidators claimed to have unequivocal evidence that Batace denied having made any payment in September 1990.

That evidence was a letter from Mr Farouk Zavahir, Mr Pharaon's UK representative, stating that Batace had sold its interest in Taplute to Mr Virani and Control.

Mr Virani denied such a sale had taken place and contended that it would have been inconsistent with an agreement last November between Control, Bellhaven (a Control subsidiary), Batace and Taplute.

Mr Charles Purle QC, for the liquidators, said they regarded the November agreement with a great deal of reserve and suspicion. It appeared to have been made primarily to enable Taplute to enter into an agreement with Bass which would give Bass a security covering the same assets as the BCCI debenture.

The fall into disgrace after a meteoric rise

Philip Rawstorne looks at the career of the energetic chairman of Control Securities

THE ARREST of Mr Nazmu Virani casts another shadow over the future of Control Securities, the property, leisure and pubs group which he built up.

It emerged yesterday that UBS Phillips & Drew, the finance house, had resigned as adviser to the company. However, City analysts believe that, unless hitherto unsuspected black holes are uncovered, it should survive.

Although Mr Virani has been the driving force behind the group's rapid expansion, he has established effective operating managers who are capable of ensuring that the group's trading performance is maintained, analysts say.

Mr Nazmu Virani was remanded in custody for a week after appearing before City of London magistrates yesterday, charged in connection with the BCCI investigation.

Mr Virani is charged on one count of conspiring with Mr Mohammed Moizul Haque and others to present false accounts to the value of $4m (£2.3m) to Price Waterhouse, BCCI's auditors.

It is alleged that the accounts misleadingly showed that BCCI was owed the money by three companies: Duffleland, Impactlight and Virani Group UK.

The City's view of Control Securities has inevitably been coloured by Mr Virani's high profile leadership. His rise since he arrived in Britain with one suitcase as a refugee from Idi Amin's Uganda in 1972 has been meteoric. It aroused suspicions that he was travelling too far, too fast.

He bought a supermarket in Dulwich, south London, and built up a chain of supermarkets and hotels. In 1976, he bought into a soft drinks manufacturer and turned it round. He tried to do the same at Belhaven, a Scottish brewery, becoming chairman in 1984, but he sold it two years later.

In Uganda he had run a property empire – and it was to property he turned again in 1985 when he bought into Control Securities, then a near bankrupt Welsh group. He transformed the group, reducing borrowings and acquiring property in return for paper.

He dealt with some of the biggest operators in the field – John Ritblat, Tony Clegg, and Gerald Ronson – buying "good rubbish" from their portfolios.

In 1988, he picked up the Belhaven brewery again and started to build a large pub estate around it. He bought pubs from Brent Walker and Grand Metropolitan to create an estate of nearly 800 outlets mainly in Scotland, the north of England and the Midlands. The brewery makes six brands of its own beer and undertakes contract brewing for Scottish & Newcastle and Bass.

By 1989, Mr Virani was also developing the hotels side of the business. Bass sold 27 hotels in Spain to a company in which Control had recently increased its stake from 50 per cent to about 75 per cent. In the UK, the group owns a number of hotels including showpiece establishments in London, Folkestone, and Llandudno.

Mr Virani's evident pride in his progress – capped by the award in 1990 of Asian Businessman of the Year – did little to allay concern about the speed of it.

The fund-raising efforts in which he became involved saw him mixing with royalty, politicians and other leading social lights. The City generally remained unimpressed; but Heron Corporation had taken a 16 per cent stake in his company, and GrandMet was happy to accept 9m shares in part payment for its pubs.

Trevor Humphries

Nazmu Virani: built up his property empire by buying 'good rubbish'

Five years of growth, in which Mr Virani had earned 100th place in the rank of the UK's richest people, with a family fortune estimated at £80m, ended with the collapse of the property market.

The first shock waves of that had scarcely been absorbed before the collapse of BCCI – one of Control's bankers, a 5.5 per cent shareholder, and the occupant of two of its buildings. A £3.8m provision was made against the exposure.

But neither sentiment nor the share price had recovered before dealings were suspended last October after detectives from the Serious Fraud Office raided the company's head office.

Since then, Control has reported pre-tax figures for the six months to last September of £4.38m, nearly £10m down. The empire remains largely intact – about 100 properties including offices, shops, industrial and residential premises, 24 hotels, the brewery and 800 pubs. Only one property, in Kensington, London, appears to have been sold, for £2.5m.

The group's debt stands at about £260m but rents and leisure profits were covered, though only just, at the interim by rents and leisure profits. Its banks have continued their support.

Though the property market remains difficult, the group's leisure side, with an improved contribution from its Spanish hotels, lifted interim profits 52 per cent to £11.5m. Analysts rated that a sound performance, and see no reason why it should not continue.

NEWS DIGEST

Insurance claim lifts Garton Eng

GARTON Engineering lifted pre-tax profits from £1m to £1.36m in 1991, helped by exceptional receipts from insurers.

The results were considerably influenced by the continuing effect of the fire at the end of 1990, Mr Aubrey Garton, chairman, explained. Given the depressed economic conditions a lower level of profitability would have occurred.

Turnover fell to £19.3m (£22.9m) but the operating surplus moved up to £1.59m (£1.34m). That included £2.6m net surplus on replacement of fixed assets and £1.35m from consequential loss insurance, and was struck after £1.3m restructuring and reorganisation costs.

Earnings per share jumped to 25.84p (17.06p). The dividend is again 7p with a final of 5.25p.

Estates & General dips to £2.3m

Estates & General, the property group, made a "creditable" pre-tax profit of £2.3m in 1991.

It was struck after provisions of £900,000 against trading stock and joint venture schemes and writing off all interest.

For the previous year the group made a profit of £2.77m.

Gross investment rental income rose by 19 per cent to £8.6m. The level of voids increased but still represented less than 2.5 per cent of the annual rent roll on the established portfolio. Turnover rose to £14.4m (£10.4m) excluding the sale of investment properties.

Rent reviews concluded in the year showed an increase of 84 per cent. The investment property portfolio had been professionally valued at £95.7m, a reduction of 9.1 per cent on a year earlier, after sales and expenditure.

Borrowings had risen to 125 per cent of shareholders' funds and to 53 per cent of property assets.

Fully diluted earnings per share were 4.59p (4.92p). The proposed final dividend is an unchanged 2.525p to hold the total at 3.75p.

39% downturn at John Jacobs

John I Jacobs, the shipping and freight group, returned a pre-tax profit of £612,000 for 1991, a near 39 per cent reduction on the previous £999,000.

Turnover improved from £4.21m to £4.43m.

Profit from broking increased substantially to £827,000 (£441,000). But shipowning turned in losses of £175,000 (profit £33,000) and financial ran up a deficit of £40,000 (profit £525,000).

The profit included £100,000 part release of a provision for broking department development (debit £150,000), and was struck after £273,000 provision for diminution in value of investments.

Earnings per share came to 1.9p (3.63p). The final dividend is again 1.4p for a total of 1.9p, against 2.9p.

Headlam drops to £321,000

Headlam Group's results for 1991, which reflected its old businesses, showed a pre-tax profit of £321,000, compared with £458,000.

The original subsidiaries continued to trade satisfactorily albeit in difficult conditions.

The five floorcovering distribution businesses were acquired after the year-end and were already making a positive contribution to group performance, directors said.

Recently, the group paid £132,000 for certain safety footwear assets from the receiver of Burlington International.

Turnover came to £21.7m (£23.2m). Profit was struck after exceptional charges of £215,000 (£158,000).

Earnings worked through at 2.385p (2.9p). The final dividend is 1.65p for an unchanged total of 2.4p.

Lower costs benefit Trafford Park

Lower administration costs and reduced interest charges led to Trafford Park Estates increasing pre-tax profit from £1.44m to £1.62m for the half year to December 31 1991.

Full benefit of the savings was partially offset by charging the interest for the Cambridge Quayside development against profits, when previously it was capitalised.

Turnover fell to £4.95m (£6m). Earnings per share were 1.672p (1.435p) and the interim dividend is held at 0.85p.

Second half surge at Bilston Enamels

Bilston & Battersea Enamels recovered from its interim loss to produce a pre-tax profit of £120,000 from turnover of £3.99m for 1991.

In the previous year the profit was £336,000 from sales of £4.83m.

Earnings per share dropped to 2p (5.1p). The dividend is omitted (against a total of 3p) in view of the results and substantial cash outflow at the beginning of 1992 resulting from the new arrangements with Halcyon Days.

Profit in the second half was £172,000 (£114,000) on turnover 9 per cent lower, and was a direct result of further reductions in costs and staffing and profits from Fine Ceramic Transfers.

Sales for the first quarter of the current year were ahead of 1991, and the the level of new inquiries had also measurably improved, directors stated.

Mayflower motors to doubled £1.07m

Mayflower Corporation, the financial services and automotive products company, reported pre-tax profits more than doubled at £1.07m in 1991, against £449,000. Gearing was cut from 131 per cent to nil at the year end.

There was a strong performance from the automotive division, which included figures from Motor Panels for four months, towards the end of the year. All companies traded profitably except one of the marketing services offshoots.

However, after an extraordinary charge of £1.44m (£1.85m) relating to business closure costs and the sale of Tri-ang in 1990, the loss for the year was £512,000 (£1.46m).

A dividend is not being recommended but the company said it was proposing a reduction of the share premium account to eliminate the deficit on distributable reserves and payments should resume this year.

Group turnover was £27.4m (£13.8m). Earnings per share were 1.91p (1.56p).

Carpet tile decline hits Gaskell

The decline in the carpet tile market left Gaskell, the Lancashire-based carpet maker, with pre-tax profits down from £1.33m to £255,000 for 1991.

Demand for the company's own brand fell by 23 per cent while other sales fell by 53 per cent. Turnover was down 25 per cent at £30.2m (£40.3m). Interest charges fell to £609,000 (£868,000) as result of lower rates.

Earnings per share were 3.1p (16.1p) but the final dividend is maintained at 5.5p for an unchanged total of 8.5p.

Inishtech improves 14% to I£7.09m

Inishtech, the Dublin-based disposable products maker, improved pre-tax profits by 14 per cent to I£7.09m (£6.6m) in the year to December 31 1991. Profits in 1990 were I£6.21m.

Fully diluted earnings rose to 36.4p (33.3p) per share and a dividend of 5.5p (5p) is recommended. Turnover advanced to I£40.1m (I£33.6m).

MONTHLY AVERAGES OF STOCK INDICES

	March	February	January	December
Financial Times				
Government Securities	86.61	88.27	87.53	86.71
Fixed Interest	98.83	101.17	99.33	96.82
Ordinary	1946.12	1974.9	1937.6	1830.5
Gold Mines	123.63	137.9	151.1	154.8
SEAQ Bargains(5.00pm)	30,512	30,694	29,697	21,859
F.T.-Actuaries				
Industrial Group	1285.54	1302.61	1273.80	1215.37
500 Share	1354.07	1374.45	1353.75	1289.58
Financial Group	700.75	720.37	721.01	701.97
All-Share	1199.04	1218.70	1203.06	1156.90
FT-SE 100	2496.2	2543.3	2520.2	2410.5
FT-SE Eurotrack 100	1155.89	1145.38	1118.77	1048.12

	Highest Mar. close	Lowest Mar. close
Ordinary	2006.6 (10th)	1903.5 (31st)
All-Share	1236.54 (10th)	1171.71 (31st)
FT-SE 100	2574.8 (10th)	2440.1 (31st)
FT-SE Eurotrack 100	1176.44 (3rd)	1140.84 (27th)

Fleet cut by 1,000 but UK average daily rate rises by 11%

TIP Europe advances to £3.72m

TIP EUROPE, the trailer rental group which was refinanced last November, increased pre-tax profit by 51 per cent to £3.72m in the six months to January 31.

On turnover of £54.9m (£53.3m), operating profit declined 12 per cent to £11.3m (£12.8m). Interest costs were cut by £1.1m to £7.59m as the group started to benefit from December's £29.2m rights issue.

Interest cover was one of the stumbling blocks under the group's former multi-option finance facility, since replaced by a more relaxed arrangement with a "club" of eight banks.

The pre-tax line compared with £2.46m last time, although this figure was struck after a restructuring charge totalling £1.68m.

Pre-tax profit in trailer rental declined to £2.5m (£3.1m) on turnover of £38.2m (£39.3m). A fall in profits on the Continent was partially offset by a near £1m turnround in the UK.

Mr David Callear, chief executive, said the biggest success was an 11 per cent increase in the average daily UK rate. The fleet had been cut from more than 10,000 to less than 9,000, while the proportion utilised had stayed at 73 to 74 per cent.

On the Continent, utilisation had fallen because of the weakness in UK ferry traffic from the Netherlands. In Germany, some custom had been lost because of constraints on the fleet.

In general leasing, a profit fall in broking was offset by a doubling of profit to £700,000 in the Mobiel subsidiary that supplies temporary buildings. Mr Callear said Mobiel's market was mushrooming in the former East Germany.

With the help of the rights issue, net debt, including leases and convertible bonds, fell from £166m to £132m, while net assets rose to £72.2m (£42.9m), halving gearing to 183 per cent.

Mr Callear said this was comfortable for a rental/leasing business.

Mr Jim Davis, chairman, said the group's emphasis had switched from chasing market share to profitability.

On an increased tax rate of 23 (15) per cent, earnings per share rose to 2.58p (2.27p). The interim dividend, which was cut by two thirds last year, is raised to 0.64p (0.56p).

A decision to sell the loss-making truck hire and distribution business led to an extraordinary charge of £640,000.

Trevor Humphries

David Callear, chief executive, left, with Jim Davis, chairman

● COMMENT

The last thing TIP wanted after its rescue from near bankruptcy was a deepening of the UK recession. Worries on that score had recently brought the share price down to little more than the rights issue price of 40p. These results have brought some relief through the elimination of losses in UK trailer rental and evidence of decent cash flow. The group continues to be run on a tight rein, with capital spending only growing to £30m this year. For the future, if TIP – and its bigger rival Tiphook – can continue to raise rates, the outlook for profitability gets much brighter. With the help of a reduced interest charge, full-year pre-tax profit is expected to rise to about £12m, giving a prospective multiple of less than 7 on yesterday's close of 43p. Although still requiring some boldness, it looks a classic recovery play.

£30m refinancing for Hawthorn Leslie

By Maggie Urry

HAWTHORN LESLIE, the mobile phone group, has agreed details of a £30m financial restructuring with Svenska Handelsbanken, its bank.

The deal, which is subject to shareholder approval, involves Svenska swapping £16m of the debt for convertible unsecured loan stock.

If the loan stock were converted into ordinary and preference shares, Svenska would hold 29.9 per cent of Hawthorn's equity.

Of the remaining debt, £10m is to be designated as an overdraft while £4.25m is to be a term loan and will be repaid from disposals and tax rebates.

The restructuring also involves Svenska waiving interest on the debt, including the loan stock, if it amounts to more than 75 per cent of operating profits.

Hawthorn must, however, pay a minimum of £1m in interest a year.

Svenska said these were the only terms acceptable to it.

Even so, the company said there was a "very narrow margin for contingencies" in its projections and it might have to go to Svenska again for further finance.

The aim of the restructuring is to get the company back to a position where it can service its debt and develop its mobile phone business, which is trading profitably. Its other activities have been sold, for £23m.

When the deal goes through, its balance sheet will show a deficit of £22m, which would fall to £6m if the loan stock is converted.

As such, the group is unlikely to pay dividends "in the foreseeable future".

Mr Andrew Hankey, deputy chairman, who joined the company last spring and has been instrumental to the restructuring deal, is to become chairman.

An incentive scheme based on share options is to be instituted for the management.

There is a shareholders meeting on April 28, but holders of just over 75 per cent of the shares have given undertakings to vote in favour.

The USM-quoted shares are expected to return from suspension following the meeting and publication of results for 1991.

Hawthorn said trading in the second half of 1991 was encouraging. A change in accounting treatment will mean a restatement of 1990 figures, and reduce the £11.9m loss for the first half of 1991 by £2.4m.

Hill Samuel, the merchant bank, has advised Hawthorn.

Watts Blake falls 27% and 'hard year' ahead

By Roland Rudd

PRE-TAX profits at Watts Blake Bearne, the world's largest supplier of ball clay, fell by 27 per cent, from £7.75m to £5.67m, in the year to December 31.

Mr John Pike, managing director, said the results should be considered against a background of falling demand for ceramic products in most of Europe and North America.

Sales, however, rose by 9 per cent to £61.4m (£56.4m).

Exports to the Far East rose by 40 per cent to £4m. The group said it had decided last month to increase its investments in the area underlining its confidence in the future profitability of the Far East operations.

Turnover fell in both the UK and the US, mainly due the recession on both sides of the Atlantic. In Devon Clays, for example, sales of ball clay for facing bricks and china clay for paper fillers fell significantly.

Trading profit fell from £7.66m to £6.42m. Mr Pike said that while certain markets could start to improve the group was assuming that "another hard year lies ahead".

Net borrowings increased to £10.2m (£4.7m), with interest payable of £746,000 compared to £94,000 received.

Earnings per share fell from 26p to 18.9p. However, a final dividend of 6.6p gives an unchanged total of 9.3p.

Reduced operating costs help Nurdin & Peacock to £27.6m

By Peggy Hollinger

IMPROVED COST controls helped Nurdin & Peacock, the cash and carry wholesaler, lift pre-tax profits by 7 per cent to £27.6m for the year to December 29.

The result was buoyed by interest receivable of £3.8m, compared with £4.6m last time.

Mr David Poole, managing director, said the company had significantly cut operating costs. For example, wages – which represent about 50 per cent of the company's total costs – fell from 3.1 per cent of total sales to 2.7 per cent.

Turnover advanced by 6.2 per cent to £1.37bn, although on a like-for-like basis volume actually declined by 4.5 per cent. The move to increase own-brand labels, such as Happy Shopper and Happy Chef, would continue, Mr Poole said. The current proportion of own label – at 22 per cent of turnover – was targeted to rise to 27 per cent.

Net margins were marginally higher at 2.02 per cent. Mr Poole said it was unlikely that, in current trading conditions, margins could be increased this year. "We believe we have got to be competitive and watch the general level of prices," he said. However, the benefits of investment in laser scanning and a move towards central buying were expected to help margins next year.

By 1993, said Mr Poole, all of the branches would be fully converted to laser scanning.

During the year, the company opened three new branches in Chester, Blackpool and Sheffield, which accounted for £60m of the increase in turnover. The new branches are not expected to make a profit for three years.

Capital expenditure was £3m higher at £35m. This year, the company plans to spend £45m opening a further three branches, for a total of 46, and extend the central distribution warehouse in Didcot.

Earnings per share fell from 15.6p to 15p, having been inflated in 1990 by a deferred £1.9m tax credit. Excluding this, earnings per share rose by 1p to 15p. The final dividend is increased in line with profits to 3.6p for a total of 5.56p (5.2p).

The shares closed down 8p at 156p.

AB Electronic loss deepens to £4m

By Roland Rudd

AB ELECTRONIC Products Group, the electronic components manufacturer, reported a pre-tax loss of £3.95m for the half year to December 31 1991.

The group warned that it would remain in the red during the second half of the year.

The outcome, which compared with a deficit of £2.02m last time, was struck after an exceptional charge of £1.05m for redundancies and rationalisation.

Sir Peter Phillips, chairman, warned: "While demand in the electronics markets served by the group has, in general stabilised, there are no signs of recovery.

"The second half made a slow start. The continuing fall in turnover will prevent the group from returning to profitability in 1991-92."

Trading profit slumped from £4.52m to £2.76m on sales of £87.6m (£115.9m).

Losses were 13.7p (6.2p) per share and the interim dividend is again passed.

The components side continued to incur sizeable losses – £1.46m compared to £1.51m. This was mainly as a result of lower defence orders.

Profits from the automotive division fell from £679,000 to £202,000.

That reflected falling orders from the UK luxury car market.

The group blamed competitive conditions in the computer market for the fall from £1.45m to £686,000 in profits from the assemblies division.

Losses in the resale and distribution side were £325,000 (£208,000).

Group borrowings were virtually unchanged at £28.8m.

Mr Paul Ryder, former worldwide director of Chassis Systems, a division of Lucas Industries, has taken over as group managing director following the retirement of Mr Ted Merrette.

Avonmore Foods rises 22% to I£16.3m

By Tim Coone in Dublin

AVONMORE FOODS, the Irish dairy and food group, yesterday reported a 22 per cent increase in pre-tax profits to I£16.3m (£15.2m) for the year to December 28.

Turnover improved to I£575.2m (I£499.7m). For the first time the company included a breakdown of divisional performance which showed strong growth in dairy products with turnover up to I£364.9m (I£308.3m) and operating profits advancing to I£15.1m (I£9.6m).

The meat and agricultural trading divisions both showed slight declines in operating profits, falling to I£5.2m (I£5.3m) and I£6.4m (I£6.6m) respectively, although turnover in meat products grew strongly to I£109.4m (I£93m).

Mr Pat O'Neil, managing director, said that meat margins "came under pressure in 1991 but this follows a very good year in 1990".

He said the balance sheet had been greatly strengthened in the past year, which "provides scope to assess future strategic options with confidence". Bank borrowings were down to I£36.7m, representing 23.9 per cent of capital employed, down from 59.9 per cent in 1990.

Earnings per share advanced to 10.83p (9p) and the total dividend is raised to 3p (2.75p) following a proposed final of 1.65p.

Mr O'Neil also announced the group's first investment in continental Europe, giving it a 49 per cent stake in a I£500,000 joint venture in Belgium to produce mozzarella cheese for the European market.

He said further market opportunities in Europe were being pursued, adding: "We are ready to move now to larger-scale acquisitions". The company had been studying opportunities in eastern European and had identified Hungary "as the most promising".

COMMODITIES AND AGRICULTURE

EC moving to a decision on farm reform package

By David Gardner in Brussels

THE EUROPEAN Community is set to decide next month whether it can agree on the most radical overhaul of the Common Agricultural Policy in its 30-year history.

At the same time, the Community roundly rejected yesterday's ruling by the General Agreement on Tariffs and Trade that the new EC oilseeds regime discriminated against US soya imports, in a response likely to worsen further the transatlantic conflict over farm trade.

The European Commission and the current Portuguese presidency of the EC are to push for the conclusion of the 14-month negotiations on CAP reform at the next Council of the 12 farm ministers in Luxembourg on April 28.

This followed individual negotiations with each of the ministers late into Monday night. All objections of principle to the Brussels reform blueprint appear to have been set aside, according to Commission officials and senior officials from member states. They stressed, nevertheless, that critical details remained to be tied up in horse-trading that could easily last into June.

"There was a lot of sweetness and light," a senior Commission official remarked without a hint of irony. But he cautioned that the farm council had accepted the reform in principle in November, only to have the UK, Netherlands and Denmark restate fundamental objections earlier this month.

The Dutch and Danes now appear willing to negotiate the best outcome for their interests on the details of the reform, their officials say. The British, *de facto*, are doing the same, even though Mr John Gummer, UK farm minister, insisted yesterday that agreement would not be possible if Britain's bigger farms were discriminated against.

The reform, in essence, calls for heavy price cuts, with full compensation which medium-to-large farms would only get by setting aside 15 per cent of their land, for which the larger farms would not get recompense. The Commission has persistently argued that the big farmers who benefit most from the CAP budget of Ecu35.3bn (£25bn) get about 20 per cent more than they need to remain competitive.

The main cloud over CAP reform now appears to be the outcome of the Uruguay Round trade liberalisation talks, where final agreement is being held up by the inability of the EC and US to agree on farm subsidy cuts. In particular, they disagree about whether compensation payments under CAP reform would be allowed into the Gatt "green box", permitting subsidies which do not promote production and distort trade.

Ministers yesterday eased their opposition slightly to Gatt's demand that the EC restrict the volume of its subsidised exports, as well as the amount of the subsidy, indicating that a mix of the two could be acceptable.

But the council unanimously rejected a Gatt panel's verdict – formally announced yesterday – outlawing the EC's new oilseeds regime. This regime was designed to comply with an earlier Gatt ruling which found that the EC discriminated against US oilseeds, which are allowed into the Community duty-free under a 1962 Gatt agreement.

Ministers judged that the panel had exceeded its remit in condemning the oilseed subsidies – copied from the CAP reform blueprint – as an incentive to producers. By deriving their judgment from the Uruguay Round conclusions of last December – which the EC has not accepted – the Gatt was prejudging the "green box" negotiations, ministers concluded.

A senior Commission official added that the US attitude to the EC across all the Gatt fronts where the two sides are in dispute was "come out with your hands up".

Mr Gummer argued that US baulking at liberalisation of services within the Uruguay Round was now a greater stumbling block than agriculture, and warned Washington against bullying.

"The Americans have got to learn that this is an international negotiation in which they are not the imperial power, and we are negotiating with them on equal terms," he said.

Soviet collapse hinders metal projects

THE COLLAPSE OF the former Soviet Union is having a widespread negative impact on mining and metal projects. Outokumpu, the state-owned Finnish group, said yesterday its $600m offer to renew the Pechenganikel smelter, part of the Norilsk nickel combine in Russia, had lapsed.

Technical details had been agreed but Russia's take-over had delayed financial arrangements. Norilsk had asked the Russian authorities to be allowed to keep all its foreign currency earnings and to be able to export its metal tariff-free for some time to pay for the smelter's refurbishment, Outokumpu said.

Meanwhile, Ukrainian officials have indefinitely delayed a bauxite mining joint venture in Jamaica. The Nikolaev alumina plant in the Ukraine and a US company were to have refurbished the former Reynolds Metals mine in Lydford for $50m. Mining should have started next year at an annual 1.5m, rising to 2.5m tonnes.

Russia's gold industry suffered from obsolete equipment, shortages of spare parts, energy and raw materials and loss of staff, said Mr Alexandre Doumnov, formerly a director of the Soviet state bank. He said gold production had stagnated for two years and was now likely to decline.

MINOR METALS PRICES

Prices from Metal Bulletin (last week's in brackets).

ANTIMONY: European free market 99.6 per cent, $ per tonne, in warehouse, 1,680-1,730 (1,650-1,720).

BISMUTH: European free market, min. 99.99 per cent, $ per lb, tonne lots in warehouse, 2.40-3.00 (same).

CADMIUM: European free market, min. 99.5 per cent, $ per lb, in warehouse, 0.90-1.10 (same).

COBALT: European free market, 99.5 per cent, $ per lb, in warehouse, 27.00-28.00 (same).

MERCURY: European free market, min. 99.99 per cent, $ per 76 lb flask, in warehouse, 115-125 (same).

MOLYBDENUM: European free market, drummed molybdic oxide, $ per lb Mo, in warehouse, 2.12-2.18 (2.15-2.20).

SELENIUM: European free market, min 99.5 per cent, $ per lb, in warehouse, 4.80-5.50.

TUNGSTEN ORE: European free market, standard min. 65 per cent, $ per tonne unit (10 kg) WO_3, cif, 56-66 (same).

VANADIUM: European free market, min. 98 per cent, $ a lb V_2O_5, cif, 2.10-2.25 (2.15-2.25).

URANIUM: Nuexco exchange value, $ per lb, U_3O_8, 8.00 (same).

Computer-controlled trucks go for gold

Kenneth Gooding on how Modular Mining dug into the vehicle dispatch business

IT CANNOT be often that a company invests $2.5m and immediately covers the cost. But that happened when American Barrick Resources, the Canadian gold mining group, bought a computer-based truck dispatch system for its big Goldstrike gold mine in Nevada.

Mr Bob Smith, Barrick's president recalls: "The package cost $2.5m and we immediately saved 10 to 15 per cent of our haulage truck requirements. That's three trucks at $1.4m each".

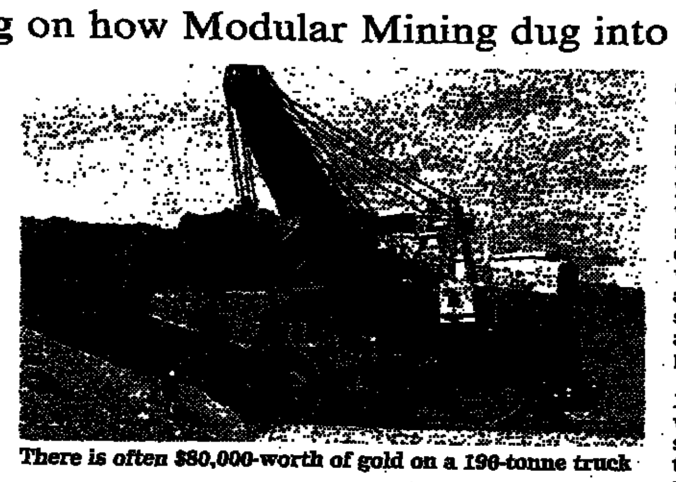
Then came productivity gains from the system, which enables a central dispatcher to know where every haulage truck and big mechanical shovel is at every second of the working day in the huge open pit. Mr Smith points out: "There's often $80,000 of gold on one of our 190-tonne trucks. If that's accidentally dumped as waste, that's a big loss. The system double-checks, so there are fewer losses. In mining you've gotta roll with the punches. Nothing is ever the way you expect and the computer reacts faster than the human brain".

The truck dispatch system concept is a simple one: to link shovels, trucks and dump points at a big mine together using a central computer connected via a radio network to microcomputers on the equipment.

This collects real-time data and makes assignment decisions as well as general reports for management.

But it is far from easy to put the concept into effect. One company, Modular Mining of Tucson, Arizona, seems to have a monopoly.

Mr James White, MM's executive vice-president says: "Several other companies claim to offer similar technology, but as yet have failed to make a sale. Several mines thought the problem was simple and developed one-of-a-kind, in-house systems over the years. We have replaced such systems in Australia, Canada, Papua New Guinea and South Africa".



There is often $80,000-worth of gold on a 190-tonne truck

He says, for example, at RTZ's huge Palabora open pit copper mine in South Africa, where there are three main ore types, numerous dumps, 20 different waste categories, three crushers feeding five storage pads and multiple composite blasts, MM's dispatch system improved productivity by 7 per cent compared with the in-house one it replaced.

The list of MM's new clients last year included De Beers in South Africa, Gecamines in Zaire and Southern Peru Copper, as well as Kennecott, the RTZ copper-gold subsidiary, in the US, and Echo Bay's McCoy/Cove gold mine in Nevada.

Use of the system does not, of course, alway produce results as dramatic as those at American Barrick. At Kennecott's Bingham Canyon copper mine, the dispatch system was installed last summer because Kennecott believed it could win a modest productivity improvement, while ensuring that its expensive in-pit ore crusher and conveyor system would always be kept fully occupied. Mr Rod Davey, vice-president and general manager of operations at Bingham, says no substantial improvements could be expected from the truck and shovel fleet, given that the equipment is spread along five miles of roads in the pit, which is 5,000 feet deep.

Ultimately, the MM system achieved what he expected – a 2 per cent improvement – and, also as predicted, it seems likely to pay for itself in three years.

Mr Davey says his company looked at several potential suppliers for a truck dispatch system "but Modular had a bit of a track record so we chose them".

So success is breeding success. But it took a great deal of tenacity by the founders before MM could build its present monopoly.

Mr White recalls that at one stage in the early days the office drinking-water cooler was removed to save $7.50 a month.

He was a professor of chemical engineering at the University of Arizona's College of Mines and joined up with Phelps Dodge, the biggest copper mining group in the US, to develop the truck dispatch system that was first used in PD's Tyrone mine in 1980 and later at its flagship Morenci mine. He was joined by Mr Michael Arnold, a colleague from the university, who is now MM's president, and Mr Mark Baker, a consulting engineer who represented PD in the early days. Mr Baker is senior vice-president.

MM started in business just as the mining industry was plunged into the worst recession in living memory. Banks shied away from a company with "mining" in its name but Mr White recalls: "We persevered, tightened our belts, took sizeable salary cuts, watched every dime – that's when the water cooler was removed – and used home equity, personal revolving lines of credit and personal credit cards to provide needed cash flow".

MM completed a survey in 1982 which showed that there were then only 370 mines of a size to justify the use of its technology. With such a small prospective client base, it decided to contact companies directly. Eventually this paid off with the first contract outside the PD organisation – with Quintette Coal for its Tumbler Ridge mine in British Columbia in January, 1983.

During these direct contacts Mr White emphasises that the system – which MM calls, would you believe, Dispatch – can help to manage almost the entire mining operation once installed. It picks the best haul routes in open pit mines. It monitors pit disturbances and adjusts the haulage flow pattern to exploit present mine conditions. It tracks equipment delays and equipment breakdowns, adjusting its instructions to compensate.

Management can ask the system "what if?" questions to see how changes such as big shovel moves, new dump placements, digging rate variations and shovel priority schemes, would affect production.

Dispatch also allows management to determine truck and shovel efficiencies by fleet or by individual items of equipment and to analyse each segment of the haulage cycle to evaluate the performance of tyres, engine parts an so on. The system monitors vital signs on vehicles, such as oil pressure, wheel motor currents, so that maintenance personnel can monitor a vehicle while it is working and spot potential problems before they cause expensive down time, says Mr White.

However, Kennecott's Mr Davey points out that there is a danger of the user being swamped by all this. "It can become a question of doing less and less with more and more data," he says. "The system is not a panacea. Management must continue to manage."

There is also a potentially controversial aspect to the system. It might well be seen as a "spy in the cab" or part of a regime where "Big Brother" is watching the drivers. Mr White says one of its benefits is that: "Dispatch watches operator actions. Drivers can no longer grab an extra ten minute smoke break at a far dump. The system alerts the dispatcher within seconds whenever the operator is late."

However, Mr Davey at Kennecott suggests that a majority of his drivers have welcomed the system. "It gives them something to fool with and they feel more a part of the team. It sometimes gets boring in those cabs. Also we would never use the system to compare the performance of one driver with another."

At American Barrick, Mr Smith also says the system need not necessarily sap employee morale. "Okay, it stops drivers taking some sneaky time out but it also tells them when they must take a break – sometimes when the supervisor might want them to keep working," he points out.

American Barrick also arranged for employees to benefit from the productivity gains arising from the use of Dispatch. A bonus system was implemented based on the tonnage of ore mined, ounces of gold produced, the mine's safety record and production cost. This has been giving drivers an extra $240 each a month to add to their basic pay of $16 an hour.

LME aluminium stocks show first fall since August

By Kenneth Gooding, Mining Correspondent

ALUMINIUM STOCKS in London Metal Exchange warehouses have fallen for the first time since early August but analysts suggested yesterday this did not mark the start of a downward trend.

Mr Nick Moore, analyst at Ord Minnett, part of the Westpac banking group, said the 425-tonne fall was "a milestone" but cautioned that there was still a great deal of Russian aluminium to be exported to the west to swell stocks this year.

LME WAREHOUSE STOCKS
(As at Monday's close)
tonnes

Aluminium	−425	to 1,175,375
Copper	−2,075	to 298,700
Lead	+400	to 132,575
Nickel	+288	to 26,028
Zinc	+2,100	to 221,575
Tin	+150	to 11,990

Mr Angus MacMillan, analyst at Billiton-Enthoven Metals, a member of the Royal Dutch/Shell group, said the outlook for aluminium demand in the second quarter was not particularly bright.

Even if production stayed flat, demand would have to rise 2.5 per cent this year just to hold stocks at present levels, he pointed out.

The market was anticipating a bigger stocks fall and aluminium for delivery in three months closed $2.25 a tonne down last night at $1,318. This was nearly $225 a tonne above the lowest price reached in the present recession in late December.

This week's stock fall came about because less metal arrived in European warehouses and there were withdrawals from LME north American warehouses.

Demand is certainly picking up in the US. Mr Paul O'Neill, chairman of Alcoa, the biggest north American aluminium group, said recently that volumes were up across the board in January and February and bookings from makers of cans, cars and consumer durables and from the building and construction sector had all increased.

Alcoa had contacted some of its clients and they had all said their buying was backed by a genuine improvement in US demand.

While Alcoa did not want to give exact details for commercial reasons, Mr O'Neill said that, if the group's orders in August last year were at 50 on an index, from November to February the index would be 120 to 125.

WORLD COMMODITIES PRICES

MARKET REPORT

PLATINUM stood out in a lack-lustre precious metals market yesterday, with its price putting on $4.25 at $358 a troy ounce. Traders attributed the rise to a statement by Russia's Almazyuvelirexport saying it would retain its monopoly on exports of platinum group metals. "The market was just relieved that the platinum will remain in secure hands and traded up in the absence of anything else to go on," one dealer explained. Earlier news that Russia was giving its foreign trade bank Vneshtorgbank a monopoly on gold sales raised concerns that Almaz might lose control of platinum and that supplies of the white metal might be allowed to flood on to the market. Constructive US economic indicators helped most base metals prices to end firm at the London Metal Exchange. The most notable rise was in the **NICKEL** market, where the cash quotation closed $60 up at $7,400 a tonne on constructive chart signals, taking it out of its recent narrow trading range. **COFFEE** prices fell further in the morning but steadied in the afternoon in what traders saw as a technical correction.

Compiled from Reuters

London Markets

SPOT MARKETS

Crude oil (per barrel FOB)		+ or -
Dubai	$16.00-6.05z	+0.10
Brent Blend (dated)	$18.05-8.15	+.175
Brent Blend (May)	$18.05-8.15	+0.15
W.T.I. (1 pm est)	$19.40-9.45z	+.225

Oil products (NWE prompt delivery per tonne CIF)		+ or -
Premium Gasoline	$198-200	
Gas Oil	$160-161	+1
Heavy Fuel Oil	$75-77	+1
Naphtha	$168-170	+0.5
Petroleum Argus Estimates		

Other		+ or -
Gold (per troy oz)♣	$342.55	+0.88
Silver (per troy oz)♣	414.5c	+2
Platinum (per troy oz)	$358.0	+4.25
Palladium (per troy oz)	$85.60	+0.45
Copper (US Producer)	105.85	+0.05
Lead (US Producer)	37.0c	-0.37
Tin (Kuala Lumpur market)	14.41r	0.13
Tin (New York)	266.5	+1
Zinc (US Prime Western)	62.0c	
Cattle (live weight)†	109.37p	+0.84*
Sheep (live weight)†♠	98.20p	-1.10*
Pigs (live weight)†	97.56p	+0.98*
London daily sugar (raw)	$214.1y	+3.8
London daily sugar (white)	$273.5y	+1.8
Tate and Lyle export price	£231.0	+2
Barley (English feed)	£118.125t	+0.13
Maize (US No. 3 yellow)	£148	
Wheat (US Dark Northern)	Unq	
Rubber (May)♥	56.00p	+0.25
Rubber (Jun)♥	55.25p	+0.25
Rubber (KL RSS No 1 Mar)	219.0	
Coconut oil (Philippines)§	$552.5	-7.5
Palm Oil (Malaysian)§	$397.5	-2.5
Copra (Philippines)§	$435 w	
Soyabeans (US)	£152.5w	
Cotton "A" index	58.65	-0.3
Wooltops (64s Super)	442p	

£ a tonne unless otherwise stated. p-pence/kg. c-cents/lb. r-ringgit/kg. q-Mar t-Oct/Dec u-Jan/Mar v-Apr/Mar y-Apr/May w-Apr z-May. †Meat Commission average fatstock prices * change from a week ago. ♥London physical market. §CIF Rotterdam. ♣ Bullion market close. m-Malaysian cents/kg. ♠Sheep prices are now live weight prices.

SUGAR – London FOX ($ per tonne)

Raw	Close	Previous	High/Low
May	190.00	190.00	190.00 189.40
Aug	191.00	191.60	191.40 190.20
Oct	191.60	193.00	191.00 190.20
White	**Close**	**Previous**	**High/Low**
May	271.70	271.80	271.90 269.80
Aug	271.90	271.50	271.90 269.80
Oct	264.00	263.30	263.70 262.00

Turnover: Raw 266 (216) lots of 50 tonnes. White 1015 (1919)
Paris- White (FFr per tonne): May 1524.64 Aug 1546.73

CRUDE OIL – IPE $/barrel

	Latest	Previous	High/Low
May	18.10	17.97	18.15 17.97
Jun	18.12	17.98	18.14 17.99
Jul	18.06	17.93	18.08 17.94
Aug	18.03	17.86	18.03 17.91
Sep	17.99	17.90	17.99 17.90
Oct	17.94	17.92	17.94 17.91
Dec	17.91	17.88	17.94 17.91
Jan	17.92	17.89	17.92 17.88
IPE Index	17.94	17.98	17.94

Turnover 10856 (9678)

GAS OIL – IPE $/tonne

	Close	Previous	High/Low
Apr	160.25	159.25	161.00 159.75
May	162.00	161.00	162.75 161.00
Jun	164.00	163.00	164.50 163.25
Jul	166.00	165.00	166.25 165.00
Aug	167.75	167.25	167.75 166.75
Sep	169.50	169.25	169.75 169.25
Oct	171.75	171.75	171.75 171.25
Nov	173.00	173.00	173.50 173.00
Dec	174.75	174.25	174.50

Turnover 11283 (9192) lots of 100 tonnes

COTTON

MANCHESTER-Spot and shipment sales for the week ending 27 March amounted to 455 tonnes against 58 tonnes in the previous week. Sales were moderate and deals occurred mainly in Syrian and West African growths.

COCOA – London FOX £/tonne

	Close	Previous	High/Low
Mar	599	610	599
May	628	628	628 616
Jul	658	654	656 647
Sep	682	680	682 670
Dec	716	716	718 707
Mar	748	750	750 740
May	770	770	769 761
Jul	789	790	789 788
Sep	808	809	807 804
Dec	835		828

Turnover: 8978 (8242) lots of 10 tonnes
ICCO indicator prices (SDRs per tonne). Daily price for Mar.30 771.63 (798.28) 10 day average for Mar.31 824.12 (829.84)

COFFEE – London FOX $/tonne

	Close	Previous	High/Low
Mar	818	825	821 818
May	842	844	842 830
Jul	858	859	858 849
Sep	870	872	871 864
Nov	887	888	887 881
Jan	905	910	907 896
Mar	922	930	922 920

Turnover:2350 (2686) lots of 5 tonnes
ICO indicator prices (US cents per pound) for Mar.27: Comp. daily 54.87 (56.01) 15 day average 57.08 (57.08)
Sterling close: March £465

POTATOES – London FOX £/tonne

	Close	Previous	High/Low
Apr	106.5	108.3	108.0 106.0
May	118.4	121.0	121.0 118.3
Apr	125.9	125.0	125.7 124.0

Turnover 120 (263) lots of 20 tonnes.

SOYAMEAL – London FOX £/tonne

	Close	Previous	High/Low
Apr	129.00		129.00
Oct	129.00		129.00

Turnover 8 (25) lots of 20 tonnes.

FREIGHT – London FOX $10/index point

	Close	Previous	High/Low
Mar	1196	1196	1196 1196
Apr	1209	1210	1210 1200
May	1204	1205	1205 1200
Jul	1085	1088	1085 1080
Oct	1215	1230	1215
BFI	1180	1186	1180

Turnover 108 (296)

GRAINS – London FOX £/tonne

Wheat	Close	Previous	High/Low
May	124.70	124.75	125.30 124.70
Jun	126.20	126.40	126.70 126.20
Sep	112.95		113.00 112.95
Nov	116.10	116.40	116.15 116.05
Jan	119.90		119.90
Barley	**Close**	**Previous**	**High/Low**
May	116.75		116.75
Nov	113.50	113.75	113.50

Turnover: Wheat 181 (138), Barley 3 (32).
Turnover lots of 100 Tonnes.

PIGS – London FOX (Cash Settlement) p/kg

	Close	Previous	High/Low
Mar	124.3		124.3
Apr	126.0		125.5 125.0
May	124.0	125.0	123.3 123.0
Jun	118.5	119.5	118.8 118.3
Jul	113.5	114.0	113.0
Aug	109.0	109.0	108.5
Sep	109.5	110.0	109.5 109.3
Oct	110.0	110.5	110.0 109.9
Nov	110.0	112.0	110.0 109.9

Turnover 40 (44) lots of 3,250 kg

LONDON METAL EXCHANGE (Prices supplied by Amalgamated Metal Trading)

	Close	Previous	High/Low	AM Official	Kerb close	Open interest
Aluminium, 99.7% purity ($ per tonne)					Total daily turnover 22,152 lots	
Cash	1292.5-3.5	1294.5-5.5	1289	1289-89.5		
3 months	1318-8.5	1320-1	1322/1310	1313.5-14	1317.5-18	174,401 lots
Copper, Grade A (£ per tonne)					Total daily turnover 15,549 lots	
Cash	1276.5-7.5	1263-3.5	1275/1274	1274.5-75.5		
3 months	1303.5-4.0	1311-11.5	1308/1302	1302-02.5	1307-08	110,013 lots
Lead (£ per tonne)					Total daily turnover 2,697 lots	
Cash	306.5-7.0	303.5-4.5	304	304-4.25		
3 months	317.5-8.0	314.5-5.0	322/313.5	314.5-4.75	318.5-19	16,211 lots
Nickel ($ per tonne)					Total daily turnover 4,107 lots	
Cash	7395-405	7335-45	7375/7370	7376-80		
3 months	7480-85	7420-5	7535/7440	7451-56	7515-25	25,438 lots
Tin ($ per tonne)					Total daily turnover 2,254 lots	
Cash	5745-55	5735-45	5715	5715-16		
3 months	5730-35	5735-40	5750/5715	5712-13	5750-60	6,047 lots
Zinc, Special High Grade ($ per tonne)					Total daily turnover 9,246 lots	
Cash	1275-77	1266-70	1268	1266-67		
3 months	1267-68	1258-9	1268/1262	1264-65	1266-67	53,244 lots

LME Closing £/$ rate:
SPOT: 1.7360 3 months: 1.7095 6 months: 1.6874 9 months: 1.6650

LONDON BULLION MARKET
(Prices supplied by N M Rothschild)

Gold (fine oz)	$ price	£ equivalent
Close	342.30-342.60	
Opening	341.30-341.70	
Morning fix	341.50	196.129
Afternoon fix	341.70	196.548
Day's high	342.60-343.10	
Day's low	341.10-341.30	

Loco Ldn Mean Gold Lending Rates (Vs US$)

1 month	3.58	6 months	3.54
2 months	3.56	12 months	3.80
3 months	3.56		

Silver fix	p/fine oz	US cts equiv
Spot	236.60	412.00
3 months	242.85	416.35
6 months	249.35	421.00
12 months	262.10	432.05

GOLD COINS
(Prices supplied by Engelhard Metals)

	$ price	£ equivalent
Krugerrand	341.75-342.75	196.50-197.00
Maple leaf	352.50-353.50	203.00-203.50
New Sovereign	83.00-84.00	47.75-48.25

TRADED OPTIONS

Coffee	May	Jul	May	Jul
800	43	73	2	15
850	11	42	20	34
900	1	23	60	65
Cocoa	**May**	**Jul**	**May**	**Jul**
600	31	65	3	7
625	14	47	11	14
675	5	32	27	24
Brent Crude	**May**	**Jun**	**May**	**Jun**
1800	20	49		
1850	8	28	21	49
1900		16	54	

New York

GOLD 100 troy oz.; $/troy oz.

	Latest	Previous	High/Low	
Apr	344.2	341.9	345.1	341.7
May	342.8	342.8	0	0
Jun	345.6	343.8	346.9	343.5
Aug	348.1	346.0	348.8	346.1
Oct	351.0	348.2	351.0	348.4
Dec	352.8	350.7	353.5	350.8
Feb	354.8	353.3	354.8	354.2
Apr	355.9	355.9	0	0
Jun	358.8	358.6	0	0

PLATINUM 50 troy oz; $/troy oz.

	Latest	Previous	High/Low	
Apr	359.0	361.1	361.0	363.0
Jul	361.1	353.6	363.0	358.5
Oct	361.5	357.6	361.5	360.0
Jan	370.0	358.1	365.0	361.5
Apr	363.5	360.6	363.5	363.5

SILVER 5,000 troy oz; cents/troy oz.

	Latest	Previous	High/Low	
Apr	412.5	412.5	0	0
May	414.5	414.0	416.0	413.0
Jun	415.8	415.6	0	0
Jul	418.0	417.3	419.0	416.5
Sep	422.0	421.1	422.0	421.0
Dec	427.5	426.9	428.5	427.0
Jan	428.8	428.6	0	0
Mar	434.0	433.3	434.0	434.0
May	438.0	438.0	0	0
Jul	442.7	442.7	0	0

HIGH GRADE COPPER 25,000 lbs; cents/lbs

	Latest	Previous	High/Low	
Apr	101.50	101.35	101.90	101.20
May	101.45	101.30	101.70	101.10
Jun	101.15	101.15	0	0
Jul	101.10	100.85	101.15	100.80
Aug	100.85	100.85	0	0
Sep	100.85	100.70	100.85	100.65
Oct	100.60	100.60	0	0
Nov	100.50	100.50	0	0
Dec	100.35	100.40	100.50	100.35
Jan	100.30	100.30	0	0

ORANGE JUICE 15,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	142.80	142.35	142.95	141.95
Jul	141.20	140.65	141.50	140.50
Sep	132.90	132.66	132.90	132.85
Nov	125.10	124.05	125.10	124.50
Jan	123.50	122.75	123.50	123.00
Mar	123.50	122.25	123.50	122.55
May	123.00	122.25	0	0
Jul	123.00	122.25	0	0

CRUDE OIL (Light) 42,000 US galls $/barrel

	Latest	Previous	High/Low	
May	19.45	19.25	19.47	19.22
Jun	19.56	19.37	19.59	19.36
Jul	19.63	19.45	19.65	19.45
Aug	19.62	19.47	19.62	19.46
Sep	19.57	19.46	19.57	19.46
Oct	19.54	19.46	19.54	19.45
Nov	19.51	19.46	19.51	19.46
Dec	19.50	19.46	19.48	19.44
Jan	19.40	19.41	19.41	19.39
Feb	19.37	19.37	0	0

HEATING OIL 42,000 US galls; cents/US galls

	Latest	Previous	High/Low	
Apr	5420	5306	5430	5295
May	5320	5230	5330	5230
Jun	5305	5231	5305	5225
Jul	5325	5284	5335	5280
Aug	5400	5353	5390	5370
Sep	5530	5478	5530	5486
Oct	5605	5583	5605	5605
Nov	5690	5678	0	0
Dec	5785	5773	5785	5780
Jan	5820	5803	5820	5800

COCOA 10 tonnes;$/tonnes

	Latest	Previous	High/Low	
May	988	985	993	980
Jul	1026	1023	1030	1019
Sep	1063	1059	1065	1059
Dec	1109	1106	1109	1104
Mar	1151	1150	1153	1149
May	1180	1173	1180	1176
Jul	1204	1201	1204	1204
Sep	1232	1233	1232	1227
Dec	1270	1264	1270	1270

COFFEE "C" 37,500lbs; cents/lbs

	Latest	Previous	High/Low	
May	68.55	67.95	68.90	67.90
Jul	70.90	70.30	71.05	70.25
Sep	73.15	72.35	73.40	72.50
Dec	76.60	75.85	76.70	75.85
Mar	79.30	79.25	79.75	79.30
May	82.75	82.75	0	0
Jul	85.00	84.25	85.00	85.00

SUGAR WORLD "11" 112,000 lbs; cents/lbs

	Latest	Previous	High/Low	
May	8.68	8.53	8.68	8.51
Jul	8.64	8.56	8.65	8.52
Oct	8.64	8.59	8.64	8.56
Mar	8.67	8.68	8.70	8.64
May	8.66	8.68	8.71	8.71
Jul	8.69	8.76	8.74	8.69

COTTON 50,000; cents/lbs

	Latest	Previous	High/Low	
May	59.05	58.07	59.50	58.00
Jul	60.65	59.65	61.05	59.55
Oct	61.68	60.82	61.75	60.80
Dec	61.96	61.43	62.20	61.32
Mar	63.15	62.80	63.15	63.15
May	63.00	63.50	0	0
Jul	63.25	63.80	0	0

INDICES

REUTERS (Base: September 18 1931 = 100)

Mar.31	Mar.30	mnth ago	yr ago
1589.4	1603.9	1616.4	1739.8

DOW JONES (Base: Dec. 31 1974 = 100)

	Mar.30	Mar.27	mnth ago	yr ago
Spot		117.51	118.59	
Futures		121.36	122.94	

Chicago

SOYABEANS 5,000 bu min; cents/60lb bushel

	Latest	Previous	High/Low	
May	587/6	585/6	588/0	585/2
Jul	596/4	594/6	596/6	593/6
Aug	600/6	598/6	601/0	598/6
Sep	604/4	602/4	604/4	602/6
Nov	612/2	610/6	612/6	610/0
Jan	620/4	619/4	620/4	619/0
Mar	630/0	628/6	630/0	628/6
May	635/4	636/0	635/4	635/4
Jul	640/4	640/4	0	0

SOYABEAN OIL 60,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	19.89	19.77	19.95	19.75
Jul	20.18	20.07	20.24	20.04
Aug	20.36	20.22	20.38	20.23
Sep	20.50	20.35	20.53	20.35
Oct	20.63	20.48	20.63	20.61
Dec	20.93	20.83	20.98	20.81
Jan	21.05	20.92	21.05	21.05
Mar	21.30	21.07	21.30	21.30
May	21.45	21.32	21.45	21.45
Jul	21.65	0	21.65	21.65

SOYABEAN MEAL 100 tons; $/ton

	Latest	Previous	High/Low	
Jul	181.3	178.7	178.9	178.2
Aug	182.3	181.1	181.6	180.8
Sep	183.3	182.2	182.5	182.0
Oct	198.2	183.4	183.6	183.0
Dec	199.7	197.8	198.5	197.8
Jan	199.8	199.5	199.6	199.0
Mar	202.0	199.5	200.0	199.8

MAIZE 5,000 bu min; cents/56lb bushel

	Latest	Previous	High/Low	
May	265/0	266/4	266/6	264/6
Jul	269/6	271/2	271/6	269/4
Sep	263/4	264/2	264/6	263/0
Dec	260/0	260/6	261/2	259/2
Mar	267/2	268/2	268/4	266/4
May	271/4	272/2	272/4	271/0
Jul	273/0	275/0	0	0

WHEAT 5,000 bu min; cents/60lb-bushel

	Latest	Previous	High/Low	
May	381/2	383/4	384/0	379/4
Jul	382/4	383/4	384/4	380/2
Sep	367/0	368/6	369/0	365/2
Dec	375/6	376/4	377/0	373/4
Mar	378/0	377/4	378/0	378/6
May	370/0	364/0	0	0
Jul	343/0	343/0	343/0	343/0
Sep	348/0	348/0	348/0	348/0

LIVE CATTLE 40,000 lbs; cents/lbs

	Latest	Previous	High/Low	
Apr	79.350	78.350	79.400	78.650
Jun	74.900	74.525	74.950	74.700
Aug	69.925	69.550	70.000	69.700
Oct	69.925	69.725	70.000	69.725
Dec	70.200	70.000	70.200	69.975
Feb	69.700	69.425	69.750	69.500
Apr	70.900	70.525	70.900	70.700

LIVE HOGS 40,000 lb; cents/lbs

	Latest	Previous	High/Low	
Apr	40.850	39.850	40.850	39.950
Jun	45.750	44.250	45.750	44.400
Jul	44.850	43.625	44.900	43.625
Aug	43.250	42.150	43.300	42.100
Oct	40.700	39.900	40.850	39.750
Dec	43.960	43.200	44.125	43.000
Feb	45.000	44.150	45.150	44.400
Apr	42.825	42.200	42.825	42.250

PORK BELLIES 40,000 lbs; cents/lb

	Latest	Previous	High/Low	
May	35.050	34.325	35.250	33.750
Jul	35.800	35.050	35.900	34.650
Aug	34.200	33.650	34.500	33.050
Feb	46.000	45.850	46.075	45.550

LONDON STOCK EXCHANGE

Property news alarms equity market

By Steve Thompson

MORE alarming news on the UK property front proved a considerable drain on the equity market's confidence and triggered a widespread decline in share prices yesterday. The FT-SE 100-share index closed a net 12.8 down at 2,440.1.

News of a sharply increased Labour lead over the Tories in the latest opinion polls only emerged during the early evening and therefore had no impact on the UK market, but these are expected to cause considerable unease this morning. There was no real response to the poll news on the big UK stocks traded in New York.

Another steep slide for Lonrho shares, after one of its joint brokers, UBS Phillips & Drew, withdrew from representing the company, was another reason cited for the market's lacklustre showing.

The session commenced with prices being marked modestly higher, partly because of the lack of any substantial poll news and partly because of underlying support for the Footsie future ahead of its expiry in mid-morning. However, news that Speyhawk, the property development group, had incurred a heavy £216m loss, passed the final dividend, and restructured its debts after talks with bankers and backers, prompted a sharp about turn in sentiment.

Coming so soon after worries about Olympia & York, developers of London's Canary Wharf, and problems at Heron International, the news was very badly received. Bank shares, especially, were given a thorough mauling as investors backed off from expected big provisions associated with Speyhawk.

The expiry of the March futures contract coincided with the downturn in the cash market. Turnover in the futures was much higher than in recent sessions but petered out after the expiry.

Opening 6.5 higher, the Footsie improved rapidly to reach a day's best of 12.7 points ahead, before commencing a slide which saw the index down 13.1 at 2,439.8 at its worst.

The withdrawal of UBS Phillips & Drew as broker to Lonrho and persistent fears that Fidelity, of the US, may sell its near 10 per cent stake into the market were behind the latest slide in Lonrho, which from today will be dropped from the FT-SE 100-share index.

Other companies being removed from the index also lost ground, including Royal Insurance and Tarmac. Their replacements, on the other hand, attracted considerable support, notably ECC Group.

Turnover in equities was 475.1m shares, well ahead of Monday's 402.7m, and boosted by at least four small-scale trading programmes.

Equity strategists are increasingly wary of the market as the general election campaign moves into its final phase. Mr Nick Knight, at Nomura, the Japanese-owned securities house and a long-time bear of the market, published a note yesterday highlighting a rise in the public sector borrowing requirement.

He said: "The speed and scale of deterioration in the government's finances is of truly mind-blowing proportions; such progression carries extremely negative implications for equities and bonds."

Account Dealing Dates		
*First Dealings:		
Mar 23	Apr 6	Apr 27
Option Declarations:		
Apr 2	Apr 23	May 7
Last Dealings:		
Apr 3	Apr 24	May 8
Account Day:		
Apr 13	May 5	May 18

*New-time dealings may take place from 8.30 am two business days earlier.

Speyhawk tumbles on results

THE DEPRESSED property sector was dealt a further blow as developer Speyhawk delivered catastrophic interim results which included a £217m loss, a huge financial restructuring and a warning from the chairman that no dividends would be paid "for some time". The shares collapsed to end 8¾ down at 2½p in heavy turnover of 5.4m.

Although bad results were anticipated, the scale of the company's write-downs surprised many in the market. Mr Gary Baker at County NatWest said: "Speyhawk overextended itself and was crucified by its central London office developments. Probably the most amazing thing is that the banks are still supporting a company with a negative net worth of over £5 per share."

He added that other developers were also suffering like Speyhawk and that a number could be counted as in "de facto" receivership.

Speyhawk is only the latest in a number of news items which have hit sentiment in the property sector. Worries over Olympia & York, Heron, Control Securities and also the prospect of a Labour victory in the general election have all acted as a drag on shares.

Yesterday, City Site lost 6 to 60p, Hammerson ordinary 9 to 442p, MEPC 6 to 306p and Slough Estates 7 to 168p.

Lonrho hit again

Confirmation that UBS Phillips & Drew had resigned as joint brokers to troubled conglomerate Lonrho sent the shares crashing to an 8-year low on their last day as a FT-SE 100 constituent.

The shares fell by more than 17 per cent, giving up a further 13½ to 65½p, their lowest level since January 1984, and turnover rose to more than 11.5m.

The possibility of UN sanctions against Libya as a result of its alleged role in the 1988 Lockerbie bombing continued to overhang the day's business, with speculation mounting that 9.81 per cent stakeholder Fidelity, of the US, would sell its holding if sanctions were imposed. Last week Lonrho sold a third of its Metropole Hotel group to the Libyan Arab Foreign Investment Company for £177.5m.

Pharmaceuticals company Wellcome was one of the strongest performers among the FT-SE 100 constituents. The group announced the brokers for its vaunted share flotation and two securities houses reiterated their buy stance.

Wellcome said Robert Fleming was to co-ordinate the flotation, stockbrokers Cazenove and S.G. Warburg were to handle the flotation in the UK, and Morgan Stanley, Lehman Brothers and Merrill Lynch would handle the US side.

The market was pleased that some of the uncertainty surrounding the flotation was out of the way and the shares jumped 27 to 1049p. Both Fleming and Smith New Court repeated their buy recommendations.

The clearing banks continued to suffer from their exposure to the Olympia & York and Heron International debts. Barclays, which is seen as having lent the most cash and is also believed to have an exposure to Speyhawk, fell 10 to 307p, making a drop of 28 over the past three days. It was also one of the most heavily traded stocks yesterday as more than 8m shares went through the Seaq electronic ticker.

Midland Bank retreated 8 to 349p in spite of the potential value in its prospective merger with Hongkong and Shanghai Banking. Lloyds lost 7 to 377p.

Royal Bank of Scotland, down 8 at 154p, suffered from receding bid hopes and further consideration of its prospects following recent profit forecast cuts.

Nervousness ahead of its annual figures tomorrow left **Sun Alliance** 7 off at 267p. James Capel is forecasting a loss of £450m.

Confirmation that Smith-**Kline Beecham** had launched a vaccine in Britain for Hepatitis A, an infectious liver disease, and a more positive recommendation from one analyst helped the "A" shares to remain firm against the market and close 3 up at 855p. SmithKline's Units rose 35 to 3915p.

The shares received a further push after Nomura Research upgraded its stance on the stock from a hold to a trading buy. Mr Didier Cowling, Nomura's pharmaceuticals specialist, said the shares had underperformed recently and the new vaccine was likely to be a "noticeable improvement over existing therapy".

Specialty chemicals group **Croda International** forged ahead 17 to 163p on consideration of the company's full-year results. The profits were in line with expectations but analysts liked the confident statement. Kleinwort Benson raised its 1992 forecast by £1m to £27.6m.

Regional brewers provided most interest in the drinks sector. **J.A. Devenish** gained 11 to 250p on renewed speculation about a bid. Boddington, holder of a 20 per cent stake in Devenish, slipped 2 to 168p.

Morland has announced it is having talks with a possible bidder, but lost 10 to 433p yesterday as speculation about a Devenish bid faded.

Siebe, which today becomes a FT-SE 100 constituent, was 7 up at 646p on the prospect of a US economic recovery. The company derives 45 per cent of its sales from the US. Johnson Matthey, 12 ahead at 388p, was also boosted by US recovery hopes.

Wholesaler Nurdin & Peacock fell 8 to 156p. Profits in 1991 rose to £27.6 from £25.8m and Nurdin said sales were up on the previous year but margins were under pressure.

Stores group Kingfisher renewed its slide to end 12 lower at 471p on profit-taking after recent good figures.

A big placing in Queens Moat Houses saw the hotel group edge ahead 1½ to 77p in turnover of 7m. Battery Marche, the US brokerage, is believed to have sold a block of 3.4m shares into the market at 75½p, most of which was later placed with institutions by a leading house at 76p. The stock had been overhanging the market since last week – when it was being offered at 80p – and has been undermining the share price.

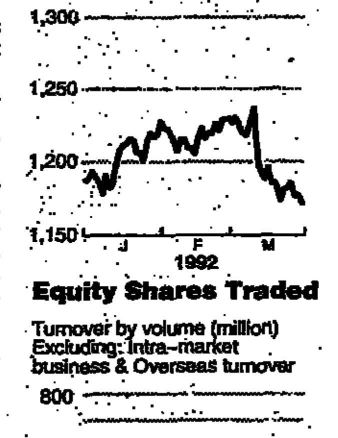
News from Pearson on Monday that BSkyB would be profitable by the second half of 1993 lifted another BSkyB shareholder, Granada Group, 10 to 230p.

Pilkington, Europe's biggest glassmaker, was in demand following a well-received institutional meeting on Monday. The company announced yesterday that it had licensed a part of its low-emissivity technology to a big US glass manufacturer. The shares edged up a penny to 125p in busy volume of 3.9m.

MARKET REPORTERS:
Peter John, Joel Kibazo, Christopher Price, Colin Millham.

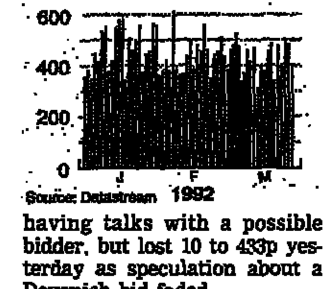
■ Other market statistics, Page 26.

FT-A All-Share Index



Equity Shares Traded

Turnover by volume (million) Excluding: Intra-market business & Overseas turnover



Source: Datastream

FINANCIAL TIMES STOCK INDICES

GILT EDGED ACTIVITY

Indices*	Mar 30	Mar 27
Gilt Edged Bargains	122.5	73.6
5-Day average	121.8	120.6

*SE Activity 1974. †Excluding intra-market business and Overseas turnover.

London report and latest Share Index. Tel. 0891 123001. Calls charged at 36p/minute cheap rate, 48p/minute at all other times.

TRADING VOLUME IN MAJOR STOCKS

BP	7,300	255	-1	Inchcape	1,600	436	+8	Rothmans	180	1019	+5	Vodafone	1,300	322	-6
British Steel	4,600	68	-1	Kingfisher	2,100	471	-12	Ryl Bk Scotland	1,500	154	-8	Warburg (SG)	521	491	
British Telecom	4,300	314	-1	Kwik Save	404	538	-1	Royal Insurance	2,400	180½	-6½	Wellcome	1,300	1049	+27
Br. Telecom New	4,000	100¾	-2	Ladbroke	2,800	217	-3	Saatchi	2,600	15¾	-¼	Welsh Water	701	371	+4
Bunzl	524	91		Land Securities	994	391	-4	Sainsbury	1,400	392	+1	Wessex Water	180	393	-5
Burmah Castrol	237	543	+13	Laporte	112	588	-4	Scottish & New	1,000	456		Whitbread 'A'	1,000	401	+1
Burton	1,300	39	-½	Legal & General	1,500	327	-8	Scot. Hydro-Elect.	2,900	90	-4	Williams Hldgs.	1,300	307	-1
Cable & Wire.	2,100	520	-3	Lloyds Abbey	1,500	356	+9	Scottish Power	4,700	89	-4	Willis Corroon	962	232	+1
Cadbury Schweppes	1,400	438	+1	Lloyds Bank	2,700	377	-8	Sears	2,600	96	-2	Wimpey	688	141	
Calor Group	597	173		LASMO	2,300	196	+1	Sedgwick	1,100	205	-1	Wolseley	51	396	
Carlton Comms.	256	538	+1	London Elect.	175	249	-2	Seeboard	211	246	-2	Yorkshire Elect.	143	394	
Coats Viyella	3,600	196	+1	Lonrho	11,000	65½	-13½	Severn Trent Water	1,100	319	-1	Yorkshire Water	450	350	-2

Based on the trading volume for a selection of Alpha securities dealt through the SEAQ system on Tuesday until 4.30pm. Trades of one million or more are rounded down

EQUITY FUTURES AND OPTIONS TRADING

BUSY trading in the derivatives markets, fuelled by the expiry of the March contract on the FT-SE, lifted sentiment only to see support dissipate as equities drifted lower, writes Christopher Price.

The March future opened at 2,460 before being squeezed to 2,465 as traders moved to close positions. After that initial spurt, March came to a limp end, expiring at 2,450.5. As March closed, the June contract stood at 2,478, a 10-point premium to estimated fair value of around 28. June dipped and then rallied before trading in a tight range of 2,472-75 in the afternoon.

The June future contract finished at 2,473, a drop of 17 on the previous day's session, but still a six-point premium to fair value. Volume was heavy with almost 10,000 contracts traded by the termination of after-hours' dealing.

In the traded options market, there was active business in the FT-SE 100 option, which recorded a day's total of 16,375 lots. Barclays was the top-traded equity option, with the September 330 calls particularly active.

Troubled conglomerate Lonrho was also in demand, with the June 70 puts prominent. Yesterday's total turnover was 31,794, up 4,332 on the previous session.

FT-ACTUARIES SHARE INDICES

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NEW HIGHS AND LOWS FOR 1991/92

FIXED INTEREST

LONDON SHARE SERVICE

BRITISH FUNDS

BRITISH FUNDS - Cont.

OTHER FIXED INTEREST

LONDON SHARE SERVICE

AMERICANS

Notes	Price £	+ or -	1991/92 high	low	Mkt Cap £m	Yld Gr's
Abbott Labs	34⅞xd	-⅛	38¹¹⁄₁₆	29⅞	14,831	1.9
Allegheny & W.	295p	-15	385p	218p	153.3	5.7
Amdahl	948p	-17	1159p	667p	1,082	0.6
Amer Cyanamid	35½	+1	42⅛	25⅝	3,319	2.4
Amer Express	13⅝xd	—	17⅞	9¹¹⁄₁₆	6,291	4.2
Amer T & T	23⅝xd	+⅛	24½	19¼	30,858	3.1
Ameritech	33	+½	38⅞	32½	14,446	6.0
BankAmerica	25½xd	—	28⅝	12⅞	6,343	2.9
Bankers NY	31⅝xd	—	38⅞	20⅞	2,598	8.7
Bell Atlantic	23¼	-¼	30½	23¼	9,340	6.0
BellSouth	25⅞	+⅛	31¼	25	12,308	6.1
Bethlehem Steel	8¹¹⁄₁₆xd	—	11⅛	6⅞	662.2	—
Bowater	1450pxd	-33	1839p	1042p	520.8	4.7
CPC	48¹³⁄₁₆xd	-⅛	54¹³⁄₁₆	37¹¹⁄₁₆	3,899	2.8
California Engy	678p	—	936p	420p	123.4	—
Campbell Soup h	20⅞	+⅛	25	14⅛	5,231	1.9
Chase Manhattan	13⅝xd	-⅛	14¹¹⁄₁₆	5⅞	1,062	5.0
Chrysler	10¼xd	+⅛	10⅝	5⅝	2,896	1.3
Citicorp	9⅞xd	-⅛	19⅛	4⅝	3,392	—
Colgate-Palm.	27¼xd	+⅛	28⅞	21⅞	4,035	2.2
Cont'l Bank	848p	-24	897p	439p	958.0	3.6
Dana	21⅝xd	-½	23⅛	13⅝	868.9	4.2
Data General	548p	-21	1282p	303p	190.7	—
Dial	21¹³⁄₁₆xd	-⅛	24⅛	7⅞	871.0	2.9
Dun & Brad.	32⅞	—	33½	20¼	5,777	3.6
Eaton	42¼	-¼	45½	24¼	1,466	2.9
Echlin	10½xd	—	11	5½	586.4	3.6
FPL	19⅛xd	-⅛	20⅛	14⅛	3,241	7.1
Fluor	22⅞xd	+⅛	28⅞	17⅞	1,855	1.0
Ford Motor	22½xd	+½	23⅞	13	10,651	2.5
Gen Elect	45¹³⁄₁₆xd	+⅛	46¹³⁄₁₆	26⅞	38,075	2.7
General Host	511p	—	566p	270p	—	3.9
Gillette	27⅞xd	+⅛	45⅛	20⅞	6,649	1.3

CANADIANS

BANKS

BREWERS & DISTILLERS

BUILDING MATERIALS

BUILDING MATERIALS - Cont.

BUSINESS SERVICES

CHEMICALS

CONGLOMERATES

CONTRACTING & CONSTRUCTION

CONTRACTING & CONSTRUCTION - Cont.

ELECTRICALS

ELECTRICITY

ELECTRONICS

ENGINEERING - AEROSPACE

ENGINEERING - GENERAL

ENGINEERING - GENERAL - Cont.

FOOD MANUFACTURING

FOOD RETAILING

HEALTH & HOUSEHOLD

HOTELS & LEISURE

INSURANCE BROKERS

INSURANCE COMPOSITE

INSURANCE LIFE

INVESTMENT TRUSTS

INVESTMENT TRUSTS - Cont.

INVESTMENT TRUSTS - Cont.

	Notes	Price	+or -	1991/92 high	low	Yld Gr's	NAV	Dis or Pm(-)
■Scot National Inc		87½	—	118	87½	13.6		
■ Cap		77	—	88	17	—	5.8	-193.0
Stepped Pf	†	127	-1	133½	113	5.5	—	—
Zero Div Pf		167½	-1	172½	141	—	—	—
Warrants		6	—	19	6	—	—	—
Scot Value	s	57	-½	68	45¼	2.9	57.0	0.1
Sec Alliance	†	1169	+4	1258	982	4.8	1327.3	12.1
Second Market	s	238	—	238	198	0.9	277.8	15.0
■Sec Tst Scot	†	64½	-½	76	57½	6.4	70.6	8.7
Select Assets		100	—	102	71	1.2	132.5	24.5
Eq Ind Sert		113	—	121	89	5.1	—	—
Eq Ind Sertl		113	—	121	99	5.1	—	—
Shires	†	199	-1	200	191	11.9	218.0	8.7
11pc Cv Ln '03/04		£99½	—	£120½	£97½	11.1		
Siam Select		87	—	99	78	1.6	105.4	17.3
Warrants		18	—	31	17	—	—	—
■Smaller Cos		71	—	93	60	4.7	80.3	11.6
Warrants		10	—	25	8	—	—	—
■Sphere Inc		18	—	33	14¾	32.9	21.8	28.5
Zero Div Pf		60¼	-½	60¾	58¾	—	—	—
Warrants		0¼	—	9½	0¼	—	—	—
Stratton		149	-1	168	120	1.7	185.4	19.6
Sumit		40	—	119	38	4.2	108.0	63.0
■TR City of Lon	M	103	—	121¼	90	6.2	107.7	4.4
■TR Euro Growth	s	85	—	104	78	1.6	99.6	14.7
Ptg Sub	s	50	—	58	40	2.7		
■TR Far East Inc	M	89	—	94	56	5.7	100.7	11.6
Warrants		13	—	23	12	—		
TR High Inc		92	—	115	85	8.8	94.6	2.8
Sub	g	28	—	35	24	7.1	—	—
■TR Pacific	s	89½	-½	92	48	0.4	95.8	7.5
■TR Prop		22½	—	37	22½	8.6	32.2	30.1
■TR Smaller		124	—	155	98	4.9	143.9	13.9
■TR Technology	M	29	—	62	20	3.6	106.4	72.6
Stepped Pf		85	—	86	70½	7.7	—	—
Zero Pf		160½	—	174½	117½	—	—	—
■Temple Bar		245	-1	278	210	7.1	273.6	10.5
6pc Cv Ln 2002		£113½	—	£115½	£102½	5.3	—	—
Templeton Em		202	+1½	203	92	1.7	208.6	3.1
Warrants		89	—	90	27	—	—	—
7pc Cv Ln 2001		£190½xd	—	£200½	£90½	8.6	—	—
■Thornton Asian		58	-1	72	55	1.2	78.3	22.6
Warrants		8	-½	18	8	—	—	—
Thornton Pan Euro		28	—	31	25	4.9	30.8	8.8
Warrants		3	—	10	3	—	—	—
Throg Dual Inc		93	—	109	93	12.5	—	—
Cap		283	-10	378	260	—	614.7	50.7
■Throgmorton		46	-1	64	45	6.7	65.9	28.6
Warrants		12	-½	26	12	—	—	—
Throg USM		107	—	118	81	4.5	123.5	13.3
Warrants		18	—	27	10	—	—	—
Tor Inc	K	468xd	-2	533	400	13.2	—	—
Cap		555	-7	736	548	8.9	1028.6	46.0
Tribune		235½	+1½	256	189	3.5	279.3	15.9
Trust of Prop		50	—	77	40	3.8	69.1	27.7
Turkey Trust	s	139½	—	199	135	1.9	174.0	20.1
Warrants		43	—	59	34	—	—	—
■USDC		154xd	-1	185	133	3.7	196.0	21.3
US Smaller Cos		103	—	107	93	—	104.8	1.7
Warrants		38	—	41	23	—	—	—
Value & Inc	M	60½	—	74	56	7.1	71.1	14.9
Vernon		8	—	19	7	—	8.2	2.6
Inc	†	38	—	48	35	16.7	—	—
Cap Indexed		155	-2	190	154	—	—	—
Welsh Indl		90	—	135	63	6.7	151.0	40.4
Whitbread Inv	†	564	—	577	478	3.3	674.6	16.3
■Witan		155	—	167	125	4.6	182.5	15.1
■ Warrants		78	—	89	61	—	—	—
■Worth		16	—	30	15	1.7	28.9	45.4
Yeoman Inc		106	—	122	104½	15.8	—	—
Cap		134	—	166	113	—	150.8	11.2

INVESTMENT COMPANIES

	Notes	Price	+or -	1991/92 high	low	Yld Gr's	NAV	Dis or Pm(-)
Baring Chrysalis$	a	479	—	509	396	8.1	—	—
Warrants		147	—	147	68⅝	—	—	—
Baring Puma $	Z	1079	—	1181	552	8.3	—	—
Biotech Rd Pf $		171	+2	191	80	—	234.1	27.6
■China & Eastern		106	—	110	65	—	—	—
■Euro Assets Fl	†	213xd	—	243	193	2.7	254.9	16.3
Fidelity Jap OTC		377	—	585	320	—	—	—
Warrants		43½	—	162½	41¾	—	—	—
ψFirst Pacific $		8	—	10½	5	18.1	—	—
Five Arrows Chile		878	+11	885	350	3.9	—	—
Warrants		382	+13	398	32	—	—	—
GT Chile Fd Uts		1851	+11	1955	429	—	—	—
Warrants		475	+5	497	89½	—	—	—
ψGen Oriental $	Z	335	—	395	287	19.6	—	—
Genesis Chile $	n	1019xc	—	1111	407	3.1	—	—
Warrants		382	—	421	329	—	—	—
Genesis Em Mkts $		1092	—	1128	531	0.8	—	—
Genesis Malay $		497	—	582	329	—	—	—
Govett Am End $	†	45	—	78	41	21.6	87.0	47.7
Hungarian Inv $		£40½	—	£42½	£40½	—	—	—
India Fund		258	+9	259	137	1.6	—	—
Indonesia Eq Fd		174	—	385	154	—	—	—
Warrants		72½	—	83⅛	38	—	—	—
Int Inv Tst Jsy		309	—	585	275	6.3	—	—
Inv Tst Guernsey		48	—	66	38	6.3	60.0	20.0
JF Asia Select		48⅛	—	48⅛	34⅛	—	—	—
Warrants		0⅞	—	2¾	0⅞	—	—	—
■JF Pledge Jap Y		129	-1	189	112	—	154.7	16.6
Warrants		16	—	49	10	—	—	—
JF Indonesia		54¾	—	58	43⅜	—	—	—
JF Pacific Wrrt		305	-5	658	305	—	—	—
Warrants		23	—	166	23	—	—	—
Pf (Regd)		4490	—	4496	3449	—	—	—
JF Philippine $		325	—	335	180	—	—	—
Warrants		29	—	118	18	—	—	—
Jakarta Fund $		441	—	852	345	—	—	—
Japan OTC Inc		417	-15	540	417	—	—	—
Warrants		94	—	167	94	—	—	—
Japan Warrant		137	-14	313	137	—	—	—
Warrants		35	—	122	28	—	—	—
Jersey Phoenix		85	—	96	69	8.2	90.4	6.0
Warrants		13	—	22	12	—	—	—
✢Latin Am Extra		810	—	810	540	—	—	—
Malacca Fd $		529	—	766	385	—	—	—
Malaysia Select $		408	—	409	269	—	—	—
Malay Emrg Co's $		383	—	477	305	—	—	—
Warrants		16½	—	104	16	—	—	—
Mexico Fund		1482	-35	1953	636	2.9	—	—
Parambe		28	—	47	26	7.4	—	—
Portugal Fd Pf		274	—	338	166	—	—	—
Robeco N.V.		£30¼	—	£31	£28	3.4	—	—
Sub Fl		302	—	318	253	3.4	—	—
Rolinco N.V.		£29⅞	—	£31	£28¼	1.8	—	—
Sub Fl		298	—	310	236	1.3	—	—
Schroder Jap Wrrt		94	—	384	94	—	—	—
Warrants		43	—	192	39	—	—	—
Scot Asian Ptg $		525	—	526	334	—	—	—
Siam Fd Rd Pf		1198	—	1313	840	—	—	—
S'pore SESDAQ $		375	—	518	303	6.5	—	—
Sth American Fd		133	-1	138	85	—	—	—
Warrants		59	—	63⅛	36¾	—	—	—
SE Asian Wrrts		408	-16	449	254	—	—	—
Spanish Smllr Co's		673	—	673	626	—	—	—
Warrants		73	—	73	41	—	—	—
Thai Euro Fd		709	—	875	590	1.8	—	—
World Trust Fund		543	—	578	490	—	—	—
Warrants		169	—	189	116	—	—	—

Net asset values supplied by County NatWest Wood Mackenzie as a guide only.

MEDIA

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Abbott Mead		387	—	387	175	58.4	2.9	♦
■Acsis	†	1½	—	9	1¼	4.14	‡	—
■Addison	g	11¾xr	—	14½	8⅞	11.2	1.7	♦
Adscene	†	50	—	184	23	13.6	2.9	17.8
■Aegis		107	-1	244	100	132.5	7.5	♦
9¼pc Cv Pf		59	—	94	55	42.8	16.5	—
Allied Radio		17½	—	27	17	7.36	—	—
8pc Cv 2001		£78½	-8	£107½	£78½	4.58	10.2	—
■Anglia TV		205	-9	246	140	98.3	6.2	♦
■Avesco		18	—	31	10	5.62	20.0	7.7
✢BBB Design		19	—	28	10	8.82	—	—
Birkdale		42	-3	78	29	8.84	—	—
Black (A & C)		348	—	810	340	6.19	5.1	26.0
■Blenheim		473	—	473	190	434.6	2.2	21.5
✢Border TV	†	75	—	87	24	7.59	3.7	10.4
Bristol Eve		305	+18	326	210	58.3	5.0	26.4
✢CIA		154xd	—	184	83	17.9	3.2	♦
■Capital Radio		197	—	237	134	132.3	3.6	20.7
■Carlton Cmms	g	538	+1	574	350	1,083	3.8	18.0
6½p Pf		85	—	89	61	138.8	10.6	—
Central ITV		1238	-10	1348	480	328.8	3.1	36.0
Chiltern Radio		138	—	194	120	9.02	1.9	—
✢City of Lon PR		42	—	58	35	3.24	9.8	9.4
✢Clarke Hooper	†	4½	-½	76	4½	8.97	—	1.6
Colorgraphic		32	—	108	31	3.46	—	—
■✢Craton Lodge		2	—	2¼	1¾	0.25	—	—
■✢Crown Comms		24	-1	80	22	14.7	—	—
Daily Mail A		£63½	—	£68½	£37	314.8	2.5	19.6
■EMAP	†	253	-1	288	179	360.4	3.6	19.6
Euromoney		618	—	618	338	122.8	4.9	18.4
Fitch RS	‡	42	—	61	29	2.80	‡	25.9
6p Cv Pf '07		27	-1	38	11	1.18	25.0	—
✢GWR		268	—	268	195	7.74	1.9	35.1
■Gold Greenlees		211	-1	226	83	38.1	5.2	9.7
Goodhead	‡	43	—	61	25	6.44	‡	—
Grampian TV A		118	-1	151	59	18.6	4.6	9.2
✢Greenwich Comm		7	—	8	4	0.49	—	—
■HTV		68	+1	71	33	47.8	7.6	♦
Harrington K'brice	L	152	-1	169	125	14.3	3.9	♦
Haynes Publ	†	165	—	178	105	16.7	2.0	18.4
Headline Book		177	—	181	118	19.7	2.3	♦
Holmes March		13	-1	108	13	3.18	—	1.4
Home Counties		198	—	205	160	19.0	6.1	9.6
Independent IE	†	325	—	349	213	118.6	5.1	13.4
■Intl Bus Comms		5	—	6½	1	7.69	—	—
Johnston Press		298	+5	298	168	98.4	2.5	♦
LWT 3.9375p Pf	s	258	—	279	80	228.8	2.7	19.4
■Lopex		41	—	80	31	9.27	‡	♦
MAI		14½	—	24	14	1.26	11.5	6.3
Warrants		3½	—	9	3	0.86	—	—
Maxwell Comm		359	—	241	1	228.2	—	—
✢Metal Bulletin		201xd	—	208	106	18.5	4.9	16.2
✢Metro Radio		184	—	185	124	31.3	3.6	27.5
Midlands Radio		98	—	108	62	13.2	3.4	28.3
Mirror Group	R	125	—	139	88	501.8	7.0	11.2
■More O'Ferr		221xd	—	285	160	73.9	7.8	14.2
News Corp A$		780	+5	807	134	2,864	0.6	13.2
■News Intl Spec Div		349	+4	358	85	597.4	1.6	—
Novo	‡g	78	—	103	62	6.84	‡	—
Osprey Comms	‡	15	—	48	15	2.88	‡	3.5
■Pearson	g	785	-9	844	580	2,135	4.0	17.4
Portls & Suno	†	371	—	377	225	44.5	3.0	14.9
Quarto $	†	142	-2	149	87	23.3	4.6	8.5
✢Radio Clyde		318	—	319	222	27.8	3.5	26.2
■Reed Intl	†	518	+2	583	343	2,850	3.9	20.5
■Reuters		1120xd	-4	1229	673	4,893	2.0	♦
■Saatch		15¾	-¼	31	9¼	25.3	—	—
Scottish TV	h	715	—	778	257½	189.9	2.7	22.3
■✢SelecTV		18½	—	27½	7¾	20.8	—	57.1
■Shandwick	a	22	-2	145	22	18.2	18.1	♦
■Southern Radio		45	—	92	42	12.8	—	—
✢Southnews	‡	67	—	74	44	18.2	‡	—
✢Sterling Pub	‡	32	-5	77	15	8.82	‡	9.6
Sunset & Vine		163	-5	195	110	8.67	2.6	17.9
TSW	s	46	—	88	41	9.79	9.4	12.8
■✢TV-am	s	81xd	+1	217	77	83.8	25.1	♦
■TVS Ent	‡	4½	+¼	87	3½	2.78	‡	0.2
7.4pc Pf '08		20	—	59	20	18.0	—	—
Thames TV		159	-1	352	157	78.8	6.5	♦
Thomson		785	—	875	715	4,378	4.3	13.2
✢Trans World		87	—	88	46	26.7	—	—
■✢Tribon		6	-1	21	6	3.47	—	—
Trinity Intl	g	230	—	289	172	154.6	4.9	♦
Tyne Tees		288	—	322	230	23.1	7.1	♦
Ulster TV	†	188	-2	197	116	19.8	4.6	43.4
■Utd News	q	373	—	418	278	741.2	7.8	13.5
■WPP	q	60	+1	231	31	37.4	—	1.9
■ Warrants		6	-½	17	1½	0.25	—	—
8¾p Cv Pf		34	+½	52	16½	72.7	—	—
Wassmoughs		410xd	+4	420	294	137.8	3.3	♦
Yorkshire TV		191	—	312	149	58.7	9.9	7.4

MERCHANT BANKS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Ansbacher (H)		27xd	—	69	22	58.4	—	—
Banque Ext Un 2nd Pfd		88	—	90½	75	11.6	12.1	—
9¼pc Non-Cum Pfd		108	—	109½	100	43.2	12.0	—
Brown Shipley		158	—	270	150	23.9	7.1	—
Close Bros	†	258xd	—	270	225	86.1	4.5	11.8

MERCHANT BANKS - Cont.

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Hambros	†	237	-2	382	204	489.8	7.2	9.4
7½pc Cv Pf		101	-1	128	90	151.5	9.9	—
Joseph (L)		325	—	413	325	17.1	6.5	—
■Kleinwort Benson		222	-1	377	214	288.8	9.6	15.7
■Rea Bros		26	—	48	24	11.0	2.4	17.6
Schroders		1065xd	—	1148	640	545.0	2.2	♦
N/V		910xd	—	953	423	119.5	2.6	♦
■Singer & Fried		43xd	-1	56	33	82.7	7.8	♦
■Warburg (SG)	†	491	—	593	314	1,020	4.3	10.2
8pc Cv Pf		187	-2	202	109	71.1	4.8	—
Wintrust		229	-3	363	220	18.7	6.6	6.5

METALS & METAL FORMING

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■ASW		139xd	-2	278	130	88.7	9.2	♦
✢Apollo Metals		108	-1	148	113	15.2	3.3	12.9
Ash & Lacy		148	—	180	88	38.8	5.8	10.9
■Barrett (H)		25	-4	113	25	10.8	10.7	57.8
B'ham (J)		100xd	+2	119	80	1.76	5.3	6.1
■Brasway		15½	—	19	11	11.8	4.4	29.3
■Brit Steel		88	-1	140	81	1,800	17.2	—
Bromsgrove	M	100	—	141½	88½	88.1	5.3	7.2
■CI		18	—	36	15	13.8	17.1	3.8
Castings	†	126	—	133	78	28.6	3.9	9.2
Chamber & Hill		90	—	109	85	6.58	8.5	5.0
Clayhithe	M	35	—	82¼	35	5.84	8.5	2.6
9½pc Cv 2000-1		£87½	—	£99	£82½	8.51	14.1	—
Cohen (A)		390	—	535	350	6.48	8.8	36.6
Cook (Wm)	†	298	+2	334	203	58.1	7.2	7.1
■Cooper (F)		54	-1	86	45	19.2	9.9	31.1
Croplis		38	—	49	12	4.87	—	—
Downiebrae		36	—	38	27	6.38	3.7	13.5
■Firth (GM)	‡	31	+2	40	18	18.5	‡	—
Garton		89	+7	132	90	3.75	10.0	♦
■Glynwed Intl		223	-1	257	172	458.2	7.2	♦
■Johnson & Firth		58½	—	78	44	79.2	7.1	11.3
■Johnson Matthey		386	+12	390	233	712.4	3.2	15.1
■Lee (A)		87	-1	141	83	82.2	8.1	48.6
Linread		85	—	126	61	7.81	7.3	♦
Manganese Bze		88	—	139	83	14.5	1.5	70.7
✢Metsec		132	—	186	130	29.4	4.9	7.8
✢Morris Ashby		81	-1	102	53	8.62	8.7	9.4
Radiant Metal		98	—	118	70	1.22	—	—
Richards Grp		73	—	95	65	8.11	8.0	6.1
■Saville Gordon		31	—	39	22	31.6	9.5	—
✢Stainless Metal		27	-1	45	18	1.55	—	—
Sycamore		18	—	28	18	14.8	—	18.9
Thyssen DM		1547	+19	1665	1204	484.2	2.2	—
✢Twiley (Eliza)		54	—	77	53	8.89	12.8	9.8
■Triplex Lloyd		147	—	157	95	75.2	6.3	15.6
Utd Industries		14	—	21	12	5.46	9.5	—
Williams (J)		3½#	—	9½	2½	1.87	19.0	—
Wood (SW)		58	—	78	32	4.38	0.2	—

MISCELLANEOUS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Abbeycrest		71	—	111	56	14.8	6.2	♦
■Aberfoyle		3¼	—	14½	1¾	1.49	—	3.5
Airsprung	†g	300	—	311	128	30.8	2.8	13.3
✢Alan Paul	g	28#	—	142	20	5.66	22.7	1.4
Alumasc	†	423	—	448	193	62.0	3.2	12.5
✢Amberley		28	—	49	20	1.68	7.1	29.6
✢Appld H'graph		137	-1	167½	50	27.1	—	—
✢Aspen Comms		110	-5	177	85	14.2	8.1	♦
Ass Brit Cosits	†	87	—	117	67	7.10	12.7	15.4
■Attwoods	g	135	-5	247	95	373.8	5.0	11.7
■BAT Inds		673xd	—	772	559	9,846	6.7	33.7
12¼pc Ln '03/08		£107⅞	—	£111⅛	£100⅛	825.2	11.4	—
✢BLP		45	-1	115	28	2.98	3.7	—
Banks (SC)	†	148	—	165	130	11.1	7.2	7.3
■✢Beckenham	‡	7	+½	48	5½	3.28	‡	1.6
■Benson	§	15½	—	18	6½	28.2	0.9	26.6
✢Bilston B'sea		35	+8	92	28	1.52	—	—
■Bimec	†0	49	—	98	37	54.1	4.1	9.5
Black Arrow		24	-1	41	23	5.84	11.7	8.1
Black (P)		122	—	149	108	66.4	3.1	15.1
✢Bluebird Toys		80	—	82	28	8.19	—	—
✢Brandon Hire	‡	25	—	55	26	2.70	‡	—
✢Brit B'stock		48	—	65	35	1.92	—	—
■Butlers		2	—	3½	2	0.71	—	—
■Business Tech	‡	23	-1	90	19	4.38	‡	2.9
Calderburn		157xd	—	159	98	41.8	6.5	♦
✢Cassidy Bros		66	—	86	35	3.82	3.6	7.0
■Christies Intl		134xd	-2	250	111	211.1	3.3	♦
■Classic T'brds IE		3½	—	6	2	2.37	—	—
■Colefax & F		63	-4	66	34	18.9	5.5	19.4
✢Copymore		36xd	—	53	33	4.12	9.5	♦
Cornwell P'ker A	†	200xd	—	201	117	78.5	3.7	14.8
Cosalt		124	—	168	116	15.4	10.7	9.6
■Cresta		22	—	42	21	18.4	12.1	2.4
■Danka Bus Syst	†	189	—	195	120	87.7	2.2	7.3
■Delaney		6	—	15	5	3.22	—	—
Dinkie Heel		18	—	18	10	1.32	12.7	8.3
✢Dudley Jenkins	†	81	—	187	80	5.18	6.5	34.5
✢EFG	‡	11	—	33	10	1.72	‡	—
Ebsel	‡	28	—	27	13	2.54	‡	—
■Erskine House		74	—	86	37	34.7	12.0	4.8
7¼pc Cv Pf		58	—	68	33	15.8	16.7	—
■Eurocopy		43	-5	169	40½	29.7	12.4	4.5
■Excalibur		27	—	66	27	16.1	8.9	4.0
■✢Expamet	‡	9½	—	47	8	8.64	‡	—
Faber Prest		228	—	243	125	18.8	5.0	7.6
✢Fairway (London)		58	—	99	37	17.1	7.2	12.5
FII	†	473xd	-7	490	340	68.9	3.6	11.5
Fitzwilton IE	g	40	-3	86	43	58.3	10.3	6.2
■Flagstone		1¾	—	4½	1¾	2.40	—	—
Flogas IE	†	295	—	298	175	57.4	4.0	11.5
■Frost	u	348	+15	348	256	67.6	0.8	13.5
Futura	†	15#	—	97	15	0.56	‡	—
■Gestetner		182	+3	248	97	181.5	10.7	4.5
■Glenchewton		18	—	23	8	4.79	—	—
■✢Global		8xd	—	28	8	9.84	8.3	♦
✢Gt Southern	†	255	—	260	185	32.6	4.4	16.3
■✢Halls Homes		6	—	15	4½	2.83	‡	—
■Hartstone	M	236	—	308	147	234.8	2.8	17.7
Hawtal Whiting		38	+1	109	35	2.78	14.0	10.7
Headlam		73	—	74	37	7.27	4.5	♦
Heath (S)		87	—	128	83	2.79	8.4	11.1
✢Heritage		23	-1	35	16	1.02	—	—
✢Holders Tech		78	—	85	68	2.43	10.3	14.5
✢Hornby		225	—	259	163	18.3	5.8	♦
IRG IE		88½	—	185	84	12.7	8.8	5.3
Isotron	†	213	—	241	176	26.5	2.2	14.8
■✢JMD		2½	-¼	4¼	1	1.93	—	—
■Kalamazoo	†	44	—	48½	26	8.11	8.1	5.8
Kershaw (A)		515	—	563	450	179.8	7.0	26.6
✢LGW	‡	32	—	38	31	1.42	‡	—
Lambert Hth		349	—	349	183	19.5	5.0	♦
✢Laser-Scan		15	—	35	15	2.42	—	3.2
✢Le Creuset FFr		253	—	253	151	48.8	1.6	19.3
✢Levercrest		38	—	98	40	2.53	—	—
■Lionheart		32½	-½	35	9	73.2	1.2	♦
✢Lincat		75	—	88	68	5.28	9.2	16.1
■✢Lincoln House		5	—	8½	2	0.81	—	—
■McLeod Russel		91	—	94	61	43.3	8.6	13.4
Nobo	‡	74	—	149	68	7.79	‡	15.1
✢Norbain		38	—	45	25	2.49	2.6	9.1
✢Novalal		3½	—	79	3½	0.79	—	—
■✢Nu-Swift	†	414	—	563	340	183.1	5.6	9.3
Office & Elect		49	—	46	21	2.45	0.3	—
Osborne & L		75	—	98	72	5.38	7.7	9.7
■PFB Hodgson	G	42	—	126	40	17.8	9.7	♦
✢Pacer Syst $		58	—	77	50	2.26	7.5	♦
■Pentland		100	—	122	43	360.3	3.0	♦
Pittard Garnar		78	—	100	40	16.9	2.6	♦
■✢Platignum		4¾	-¼	8¾	2	0.70	—	—
✢Porth	†g	5½	—	58½	5	1.88	‡	—
Portmeirion		234	—	238	185	24.1	4.3	♦
✢RPS		24xd	—	130	23	2.87	11.1	♦
Relyon		140	-1	154	117	31.3	4.5	♦
■Ricardo Intl		88	—	121	88	27.7	8.7	12.2
■Ross Grp	g	38	—	80	22½	43.4	0.5	—
■Rothmans B	†	1019	+5	1198	835	3,877	2.4	12.1
■✢Savage		42	—	54	35	16.2	—	—
✢Sentry Farming		45	—	69	38	1.83	3.0	♦
■Shanks McEwan	†	229	-2	319	173	384.8	3.3	18.9
■Silentnight		203	—	209	80	93.4	4.8	11.8
Sinclair (Wm)	†	274	—	297	223	54.5	3.3	18.1
Sothebys A $	e	625	—	675	538	168.2	4.1	—
■Sthn Business		96	-1	119	51	93.5	4.1	8.5
✢Spandex		303	—	380	230	78.6	2.7	♦
Spear (JW)		285	—	295	230	15.1	4.8	♦
Stag Furniture		104	—	116	55	8.83	8.7	♦
■Stonehill		13	—	29½	13	2.73	—	—
Strong & Fisher	a	33	—	41	13½	58.5	2.8	♦
Tamaris		2½	+½	16	2	0.45	—	—
8½pc Pf '03		4	—	38	3	0.18	—	—
✢Tasso (John)		67	—	89	63	19.3	8.0	11.5
■Time Prods		145	—	166	109	78.1	6.7	15.2
Toye		213	—	213	165	4.79	5.0	9.8
■UDO	†	241	—	276	181	78.6	3.2	13.6
WSP		59xd	—	81	50	5.18	7.7	♦
■Walker G'bank		58	—	71	39	50.1	7.5	12.2
Waterford IE		25	-½	38	18½	177.2	—	—
Waterman Part	‡	41	—	75	41	8.22	‡	—
■✢Wilton		1¼	—	3¼	1¼	8.86	—	—
Wood (A)		138	—	136	117	2.68	4.3	♦
■Young (H)		51	—	71	38	7.81	15.7	12.1

MOTORS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■ABI Leis		68	—	68	50	23.4	7.1	15.1
Abbey Panels		375	—	470	375	7.50	—	—
Airflow Stream	‡	114	—	149	95	8.74	‡	—
Alexanders		16	-1	25	12	6.29	8.3	14.9
■Appleyard		89	—	133	60	48.3	11.1	♦
■Avon Rubber		348	—	356	214	79.9	6.6	16.9
■BBA		115xd	-2	185	103	358.9	8.7	12.9
8¾pc Pf		87	-1	106	69½	75.5	10.3	—
■BSG Intl		68	—	68½	36	119.8	7.7	♦
Barr & WAT A		207	—	207	123	28.5	6.7	♦
✢Bletchley		150	—	183	65	4.55	6.8	10.3
Bostrom		125	—	147	122	18.3	6.6	♦
Bamfords		185	—	187	80	19.8	6.1	8.5
Caffyns		355	—	400	313	17.8	4.3	—
■Caverdale		8	—	12¾	2½	8.72	—	—
✢Central Motor		118	—	136	88	15.8	4.5	11.1
■✢Cook (DC)		38	—	48	15	15.4	3.7	—
■Cowie (T)		128	-3	148	36	150.4	5.2	11.3
Calver 1p		3½	—	8½	3	1.40	—	—
DAF NV Fl		£8½	—	£8⅝	£5¼	189.2	—	—
Dagenham		118	—	123	78	28.9	6.6	11.4
Davenport Vernon		114	—	128	70	15.1	4.7	16.2
ERF		160	—	208	113	15.7	4.2	—
European Motor	n	123xd	—	139	101	19.8	—	—
Evans Halshaw		270xd	—	288	158	57.7	5.6	♦
■First Tech	‡	37	—	88	19	5.49	‡	—
■GKN		345	+2	396	268	895.1	7.9	20.0
Gen Motors Uts	h	100	+2	136	73	—	6.8	—
Gowrings	‡	38	-2	33	28	3.44	‡	—
Jacks (Wm)		23	—	45	24	2.71	—	—
Jessups		75	—	86	41	6.36	8.0	—
■Kwik-Fit		181	-1	200	60	324.8	2.4	♦
■Laird		274	+1	282	154	255.1	4.9	15.2
■Lex Service		198xd	-1	246	118	182.6	6.8	—
Lookers		91	-4	118	68	17.4	9.1	32.7
Lookers 8pc Cv Pf		78	-2	88	53	11.4	13.7	—
■Lucas Inds		113	+1	173	101	798.8	8.4	8.4
■ Warrants		11½	-½	38	11	7.88	—	—
✢Malaya	♦	34	-1	37	15	1.84	—	—
✢March Grp		16	—	14	9	3.36	—	—
✢Mid-States		42	—	71	42	28.4	9.5	4.8
■Pendragon		185	—	186	87	58.5	4.2	♦
Perry Grp		158	—	188	100	29.5	7.9	♦
Plaxton		59xd	—	73	36	22.3	6.8	—
Quicks Grp	‡	78	—	78	43	11.3	‡	7.7
Sanderson M E	a	528xd	-1	548	187	18.8	1.7	♦
■T&N		122½	+1½	184½	88	836.0	12.6	♦
✢TLS Range		11	—	43	11	1.86	—	—
■Trinoco		17	-½	24	13½	23.8	11.0	—
11½pc Ln '95		£100	—	£218	£115	11.2	7.2	—
Vardy (Reg)	†	149xd	—	155	65	62.9	3.4	15.9
Volkswagen DM		£127½	+2½	£142	£90	3,442	3.1	8.7
Volvo B SKr		£48½	+½	£41½	£18⅞	958.7	3.7	♦
■Widney		9	-1	12	8½	4.86	—	—

OIL & GAS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■✢Aberdeen Petim		17	+½	18	11½	2.75	—	17.3
■Alliance Res		8	+1	48	8	1.38	—	—
‡‡Aminex IE		8	—	28	7	0.62	—	—
■Aran Energy		19½	—	48	13	37.8	—	—
■Avrea Petim		172	+1	300	170	8.80	—	—

OIL & GAS - Cont.

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
✢Blackland		12#	—	20½	12	1.19	—	—
■Blystad		6	—	12	5	7.03	—	16.0
ψBow Valley $		495	—	771	473	254.4	—	—
✢Brabant		43	-5	156	43	7.15	—	—
ψBridge Oil A$		19	—	31	16	78.8	4.4	♦
Brit Borneo		123xd	—	235	114	55.3	7.7	♦
■British Gas	‡Lq	260	-2	284½	216	10,855	7.3	8.9
■Brit Petroleum		255	-1	381	250	13,750	8.8	38.7
■Bula Res IE		2	—	4½	1¾	10.8	—	—
■Burmah Castrol	q	843	+13	844	457	891.3	6.1	13.1
8½pc Ln '91/96		£91¼	-½	£93½	£85	49.2	9.3	—
Cairn Energy		34	-4	278	34	8.27	—	15.9
■Calor		173	—	259	171	298.9	9.6	8.0
■✢Caspen		7	—	14	7	3.36	—	—
Chevron $		£36½	-½	£46¾	£34⅜	12,796	5.1	—
■Clyde Petim		48xd	-1	159	48	167.3	3.4	♦
Command Petim		8	—	17	8	7.82	—	—
■✢Conroy Petim		41½	-1½	97	41½	23.8	—	—
■✢Crossroads		18	—	85	17	8.39	—	18.8
ψCrusader $		58	—	77	28	54.8	2.4	14.5
✢Edinburgh		14½	—	19	14	2.42	—	♦
■Enterprise	q	378xd	-6	618	359	1,727	5.6	19.7
✢Europe Energy		5	—	16	5	0.28	—	—
ψEvergreen		549	—	590	187	28.1	—	—
■Ex Co Louisiana $		40	—	82	20	35.8	—	—
Ser A Cv Pf $		£77½	—	£80	£51½	18.5	25.7	—
Warrants		3	—	16	3	0.78	—	—
Exxon $		£31⅛	-⅛	£36⅛	£25⅜	38,869	4.8	—
■Fairhaven Intl $		23	—	38¼	12	55.8	1.0	♦
■✢Firstland		9½	+½	14	4	2.12	—	—
■Basic Res		1½	-⅛	5½	1½	2.36	—	—
ψGlobal Nat $		590	-15	894	275	—	—	—
Globe Petim		4½#	—	43	4½	0.63	—	—
■Goal Petim		49	+2	96	40	65.7	3.5	♦
■Gt West Res A $		21	—	145	5	18.8	—	—
ψGulfstream C$		34	-1	47	6	—	—	—
■Hardy Oil		97	—	215	97	86.3	—	13.2
ψIntl Pet C$		338	+6	353	83	—	—	—
■Kelt Energy		8	-1	28	8	11.2	—	—
Kingston	†	76	—	95	63	9.93	2.8	12.6
■LASMO		185	+1	307	181	1,428	6.0	♦
Ops		145xd	—	185	143	18.3	23.7	—
9⅞pc Cm Pf		103½	—	106¼	98½	41.4	12.4	—
■✢Mid & Scot		28	—	148	24	60.2	—	—
Mobil $		£34⅜	-⅛	£42⅝	£28½	13,691	5.2	—
■Monument		29¼	—	45¼	29	184.8	—	—
■New London		18	-½	21½	11	18.6	—	—
ψNZ Oil NZ$		27	-2½	31½	14	—	—	—
Norsk Hydro NKr		£13⅞	+⅛	£18⅞	£11⅝	2,849	2.3	♦
North Sea Assets		29xd	-½	36½	26	15.1	3.4	7.6
Occidental Petim $		£10⅝	-⅛	£14⅞	£8¾	3,179	2.5	—
ψOhio Res C$		17	—	29¼	14	—	—	—
■✢Oliver Res		2¼	—	12½	2¼	2.82	—	—
Pan Pacific Petim		5	—	6¾	2	—	—	—
Petrofina BFr		£178	+1½	£201	£152⅛	[illegible]	5.4	10.3
Pict Petim		68	—	119	[illegible]	32.5	—	5.1
Pittencrieff	†	221	—	223	78	45.2	2.7	16.8
■Premier Cons		20	—	58	19	103.7	—	8.7
Presidio A $		165	-13	318	165	41.7	3.4	—
■✢Ramco		37	-½	79	35	6.23	7.2	13.7
■Ranger C$		398xd	—	493	313	378.9	1.3	—
■Richmond		10	—	75	6	8.18	—	—
Royal Dutch Fl		£44	—	£49⅛	£37⅜	23,587	5.7	♦
ψSantos A$		117	+2	172	111	549.4	7.2	—
ψSceptre		44	-2	202	35	—	—	—
Schlumberger $		£32¼	—	£42⅝	£29⅛	7,785	2.1	—
■✢Seafield Res		48	—	81	48	25.2	—	♦
■Shell Trans		443	-1	546	419	14,695	6.3	♦
7pc Pf		65½	—	68½	58	6.55	10.0	—
Sidlaw		255	-1	275	126	81.7	4.7	14.4
■✢Teredo Petim		12	—	34	12	3.74	—	—
Texaco 8pc Cv		£122½xd	—	£138	£115	1,518	6.5	—
Total B FFr		£24⅜	+¼	£28⅜	£14¼	4,896	3.6	5.6
ψTrident Petim		2½	—	13	2	0.71	—	—
Triton Europe	‡s	31	—	114	28	25.6	‡	7.0
■✢Tullow		15½	—	18½	8	23.7	—	—
■✢Tuskar IE	♦	1½	—	14½	1	3.94	—	—
■✢Utd Energy		38	-1	62	21	9.26	—	—
Do. Warrants		13	—	31½	10½	8.24	—	—
Victoria Petim		3½	—	7	2½	2.35	—	—
ψWoodside A$		188	—	197	102	1,120	1.3	51.7
■XCL Sunrise		2¼	—	7	1¾	0.87	—	—

OTHER FINANCIAL

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Aberdeen Trust		31	—	81	30	26.1	10.8	10.3
Alex Corp $		80	—	129	70	4.89	7.0	69.5
■Aitken Hume	†	38	—	48	25	22.8	3.6	10.8
✢BWD Secs		54xd	-1	81	37	9.24	7.4	7.0
Baltic		90xd	-2	148	87	36.9	5.8	♦
7pc Cnv Rd Pf		91	-2	111	73	16.9	10.3	—
Banc Cie FFr		£50	+½	£54⅞	£38⅞	1,147	3.1	—
■Benchmark		4	—	12	3	0.44	—	15.9
■Berkeley Govett $		122	—	168	113	90.5	10.2	3.2
■Bridgend		28½	-½	45	24½	8.35	5.6	11.5
Burlington		11½	—	18	7½	1.70	5.8	13.2
CLF Yeoman IE	‡	30#	—	58	30	15.3	‡	1.4
■Caledonia Inv	†	316	-8	378	315	281.6	5.7	13.2
Cambridge IE	†	34	—	57	29	22.0	3.4	6.0
Camellia	†	£16	-1	£21	£16	48.8	2.1	13.2
■Carlisle		18½	—	27	12½	3.78	—	—
4.38pc Cv Pf		38	—	48	25	8.81	19.5	—
Cater Allen		337	—	484	295	88.6	9.9	—
■Cattle's	s	64xd	—	78	52	70.8	7.9	♦
ψCons Afex $		70	—	83	60	—	4.4	—
Daiwa Secs		337	-8	632	316	4,524	1.6	18.4
EFT		16xd	—	21½	14½	5.16	9.2	♦
Edin Fund Man		266	-1	273	168	46.2	6.7	♦
■First Nat Fin		41	—	213	25	66.8	—	—
6.3pc Cv Pf		66	—	118	45	32.8	12.7	—
■✢Flextech		100	—	168	103	43.1	1.4	13.7
■Gerrard & Nat		247	-1	265	230	96.1	11.1	—
ψHaw Par S$	h	89	+1	97½	53	131.2	2.8	10.4
Henderson Adm	†	635	—	718	535	134.1	7.9	13.0
Highcroft Inv		155	—	165	105	8.41	3.4	16.2
■INVESCO MIM		67	+1	111	56	162.0	11.9	16.0
9pc Cv '95/00		£77½	-2	£114½	£72½	23.3	11.6	—
■Intrum Justitia		87	—	89	51	98.7	3.7	♦
Investment Co		27	—	38	20	7.46	5.7	8.5
Ivory & Sime		122	—	135	53	38.8	6.2	15.0
Jardine Strat $		159	—	175	90	1,451	3.8	♦
Jupiter Tyndall	Z	106	—	167	104	37.8	2.5	—
King & Shaxson		78	—	153	78	12.3	17.5	—
■LIT		5¾	+⅛	12	5	3.31	—	—
Lightship	‡	134	-1	382	128	7.37	‡	—
London Fin		12	—	25	10	3.80	8.3	11.0
■✢Lon Forfaiting		138	—	154	86	138.8	7.8	11.3
■Lon Scottish		48	—	63	44	28.1	8.3	9.3
■MAI		102xd	—	127	87	328.3	7.2	8.2
■M & G		538	-2	605	355	406.7	4.7	14.9
Mercury Ast Mgt	†h	328	—	365¼	181¼	589.9	4.2	12.1
Mitsubishi Crp Y		544	—	844	490	8,509	0.7	♦
■Nat Home Loans		3	—	157	2½	3.10	—	—
■ 7½pc Cv Pf		3	-½	98	2½	3.00	—	—
Oceana Cons		25	—	29	21	1.96	4.0	6.0
Perpetual		165	+3	165	39	28.7	4.1	13.0
Pokphand (CP) $		15½	+½	16	9	202.8	11.7	4.7
■Prov Financial		445	—	512	390	232.1	7.5	10.2
✢Rathbone Bros	†	388	—	413	141	29.5	2.8	17.6
■Rutland Trust		11	—	22	9	27.8	10.2	♦
S&U	†	155	—	181	99	14.4	6.9	7.2
31½pc Pf		38	—	40	32	1.37	14.6	—
■St James' Place		82	—	88	58	224.4	4.9	12.8
Secure Trust		366	+5	373	195	52.3	4.5	♦
■Smith New Crt	†	89	-4	145	66	26.9	5.2	9.1
Cv Pf		79	-1	87	60	44.8	12.4	—
■✢Starling Trust	♦s	68	—	85	27	12.8	8.9	5.5
Stratagem		111	-1	158	105	9.77	5.4	5.2
ψSwire Pac A HK$		218	-3	218	98	2,087	3.1	♦
■Templeton Gbth $		275xd	—	328	168	550.8	4.3	♦
■Union Discount		138	—	308	125	24.7	13.8	—
Woodchester IE		167	-1	210	140	334.4	2.9	♦

OTHER INDUSTRIAL MATERIALS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
AAF Invs	s	178	—	178	115	28.2	5.9	♦
Amber Ind		308	—	330	278	12.1	7.1	9.1
■Ass Br Eng		2	—	3¼	2	4.96	6.7	—
8pc Cm Pf		98	—	103	85	1.50	11.3	—
■BTR	q	498xd	+1	498½	289½	8,284	5.4	13.9
■ Wts 92-93		192	+1	194	57	67.9	—	—
■ Wts 93-94		24½	-½	54	15	12.6	—	—
■ Wts 94-95		75½	—	112	41	67.6	—	—
■ Wts 1995-96		82½	-½	71	41	36.8	—	—
■Baynes (C)		52xd	—	80	32½	65.9	3.5	13.9
BH Prop A$		595	+9	681	383	9,817	3.0	13.0
■Brown & Tawse		65	—	94	39	20.7	11.7	—
■Charter Cons		488	—	554	402	508.8	5.8	11.3
✢Colorgen $		24½	—	31	5½	3.83	—	—
■Cookson		127	+2	143	84½	565.6	6.5	♦
■ECC	q	587	+12	614	318	1,353	5.4	—
Elco		30xd	—	74	38	11.3	15.7	8.3
Elkem NKr		£6½	+⅛	£15⅛	£4½	38.9	—	—
Expamet Intl		135	—	184	134	84.5	10.3	♦
■✢Ferromet		8¾	—	24	0¾	1.53	8.9	3.8
Harris (P)		101	+1	164	81	13.2	4.8	12.1
Headway	a	23	—	46	21	3.70	3.2	8.3
Kelsey Inds		428	—	483	403	13.1	8.7	8.9
■McKechnie		304	—	331	210	239.9	6.5	18.4
■Marling Inds	‡	65	—	105	59	28.4	‡	—
■Morgan Crucible	q	271	-2	283	190	583.9	6.1	13.0
7½pc Cv Rd Pf		115	—	123	85½	34.5	8.7	—
Neotronics		163	—	157	94	32.5	2.5	18.0
■Norcros		129	+8	163	85	175.3	7.2	25.5
D&M Intl		29	—	78	29	12.9	24.0	7.7
✢Optometrics		8	—	8	2¼	0.69	—	—
Pac Dunlop A$		223	+3	268	183	1,992	4.1	16.2
Penny & Giles	†	225	—	262	216	22.7	2.7	11.7
■Process Syst $		6½	—	8	4	3.60	—	—
Renishaw	†	284	-1	325	222	128.2	3.0	18.1
■Scapa	†g	193	+2	199	112	368.5	4.3	12.7
Servomex		172	+6	175	115	16.7	4.5	♦
■Staveley Inds	†g	184	-1	213	151½	184.5	6.7	9.2
■Suter		101xd	-2	142	83	108.4	11.6	♦
Tex		37	—	57	28	2.48	—	—
■Tomkins	†	432	+5	450	213	1,216	3.0	15.0
5.6pc Cm Cv Pf		199	+2	209	95	95.7	3.9	—
6¼pc Cm Pf		162	+1	172	87	134.2	5.2	—
Vinten		273	—	288	157	105.8	3.3	♦
Watts Blake		386	—	428	368	88.1	3.3	♦
■Whitecroft	M	189	—	189	77	47.4	12.3	21.3
■Williams		387	-1	378	208	1,442	5.5	18.2
8p Cv Pf		115	—	148	89	309.8	9.3	—
5⅛pc Cv Pf		138	-2	162	87	76.4	5.8	—

PACKAGING, PAPER & PRINTING

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
API	s	148	—	148	76	31.8	6.8	43.0
■Arjo Wiggins	q	231xd	+4	292	168	1,871	4.8	13.2
Bemrose		205	—	218	110	33.9	7.9	♦
■Blagden Inds		186xd	-4	224	129	92.4	6.4	♦
■Bowater	qq	741xr	—	747	407	1,596	4.0	16.6
7¾pc Cv Pf		148xr	-1	161	92	134.7	7.0	—
✢Boxmore		291	+1	304	130	31.5	3.2	♦
Brit Polythene		412	—	425	215	92.3	3.0	♦
7½p Cv Rd Pf		203	—	210	105	28.8	4.8	—
B'mann-Taft Fl		£14¼	-⅛	£19½	£11⅛	492.6	4.8	♦
■Bunzl		91	—	103	54	371.7	6.0	♦
■CMB Pack FFr		1955	—	2639	900	1,578	3.8	♦
Clondalkin IE		325	—	342	173	135.3	1.7	♦
■Cont Station'y	‡	33	—	55	23	6.68	‡	8.7
Cradley		22	—	28	18	7.16	6.1	5.4
Cropper (J)		174	—	191	123	14.0	2.2	17.1
■De La Rue	§	555	-4	599	284	1,081	3.6	19.9
Delyn		34	—	53	30	2.89	5.7	7.8
Dolphin Pack		132	—	183	81	31.2	4.5	♦
Enso-Gutzeit FM		218	—	298	152	69.3	2.4	—
Esselte SKr		1493	—	1789	870	96.6	3.6	♦
Ferguson Intl		215	-1	287	181	69.4	7.8	9.9
Ferry Pick		129	-2	148	85	18.3	6.1	10.3
✢Filofax		27	—	33	21	6.03	—	—
✢Gibbon Lyons		65	—	103	65	5.87	12.3	10.4
■Hunterprint		11	—	29	11	10.7	—	—
Interurope Tech		130xd	—	173	116	8.15	8.4	10.5
■✢Ind Comm		11	—	18	8	7.58	—	—
Jarvis Porter	†g	131	—	144	78	30.3	4.3	18.8
Klearfold $		8½	—	9	6	8.66	—	—

PACKAGING, PAPER & PRINTING - Cont.

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Kymmene FM		926	+2	935	924	138.5	1.2	—
Lawson Mar A		441	-1	524	349	97.1	4.7	—
■Low & Bonar		267xd	-1	279	158	207.8	4.5	♦
✢MY	†	48	—	48	20	16.7	1.7	47.6
Macfarlane		175	—	207	153	87.7	3.3	♦
■Microfilm Rep	†	176	—	208	116	90.3	2.7	16.7
■Microgen		136	—	187	119	52.6	6.9	10.3
■NMC		39	—	84	29	12.8	15.8	7.7
7¾pc Rd Cv Pf		49	—	83	46	15.1	24.5	—
Olives		108	—	125	67	7.91	11.1	—
■Portals		372	—	386	249	338.3	5.1	♦
PrinTech Intl IE		76	-2	91	69	22.1	3.4	11.1
Repola FM		613	—	1100	508	146.1	1.6	—
SCA B SKr		1069	-10	1187	747	681.4	2.9	13.7
■St Ives		251	—	278	175	247.0	2.7	17.7
✢Serif Cowells	‡	3¼	—	43	1¼	0.88	‡	1.8
✢Shelton (M)		40	—	58	36	2.80	5.8	8.4
■Smith (DS)	†	273	-4	375	244	337.5	4.7	10.8
■Smurfit (J) IE	†	648	-15	670	425	1,349	1.0	11.1
9¼pc Cv Ln		£185	-5	£195	£148½	212.9	5.3	—
Sonic		51	—	53	30	1.82	2.6	—
Star-Plus		248	—	286	176	82.9	3.9	♦
Stora B SKr		£27⅞	+⅛	£36⅛	£21⅞	332.9	4.6	—
■Tinsley Robor	‡	8	—	23	8	2.85	‡	13.6
✢Unit Group		49	—	145	33	2.62	—	—
Usher Walker	†h	169	—	205	106	7.01	4.6	21.9
■Wace		188	—	285	96	75.4	10.2	5.5
8p Cv Pf		58	—	88	44	38.8	19.4	—
■Waddington (J)		170	-3	215	131	135.2	6.2	12.2
■Waverley Cam		1	—	18	1	0.89	—	—
✢Wentworth		19	—	20	10	19.9	1.3	—

PROPERTY

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■✢Abaca		3¼	—	4½	2	3.18	—	—
Allied London		83	—	180	63	43.7	7.5	35.0
5¼pc Cv Rd Pf		68	-1	95	67	27.2	11.8	—
Anglo St James	‡	8½	-½	43	5	1.05	‡	1.8
Arcadian Intl		63	—	90	55	5.58	—	—
■Asda Prop		58xd	—	108	58	32.6	4.6	♦
Aukett Assoc		17	-1	68	17	2.53	13.7	6.8
BDA		22	—	32	18	3.98	—	—
■BHH	‡	27	—	48	19	12.4	‡	—
Barlows		50	—	71	46	9.79	8.6	—
■Bilton (P)	†	412	+2	508	325	178.4	5.6	16.3
Bolton		38	—	68	36	3.39	—	40.2
Bourne End	‡	33	-1	85	33	2.84	‡	—
■Bradford	†	134	-3	158	115	191.7	3.7	12.1
Bradero		23	—	88	23	8.44	—	—
Britannia	‡	35	—	94	35	3.97	‡	9.7
■British Land	†	176	-2	323	176	411.8	4.4	16.0
8⅛pc Cv		£77	-4	£116	£77	60.8	11.2	—
■Brixton Est	†	158	-2	212	150	261.5	6.0	13.4
Bucknall	‡	14	+1	86	13	1.74	‡	1.0
■Burford		49	—	62	35	57.8	2.6	♦
✢CMW		91	—	91	25	5.18	3.6	♦
■Cabra Ests	‡	7½	—	18	6¼	7.21	‡	—
■Cap & Counties		156	—	353	155	265.8	8.5	15.8
5¾pc Pf		58xd	—	95	57	53.8	13.2	—
✢Cap & Reg	†	125	—	135	106	21.5	1.0	—
Carditt		180	—	325	175	4.67	1.8	—
Chesterfield		383	—	640	300	58.0	8.1	—
5¼pc Cv Cm Pf		48	-2	95	45	14.4	14.6	—
City Site Ests		68	-6	180	60	9.25	3.2	—
Clarke Nickolls	†	29	—	69	23	4.74	4.3	32.4
■Clayform	‡	18	-½	92	18½	6.52	‡	—
Warrants			—	9	0¾	0.03	—	—
Compco		5	—	725	575	11.9	3.0	—
CountyGlen		78	—	78	43	2.82	—	—
Daejan	†	843	—	865	720	137.2	3.8	13.6
✢Danbury		26	-3	87	27	2.85	—	—
■Dares Ests	‡	2	-¼	11¼	1¼	[illegible]	‡	—
✢Davies (DY)		8	—	56			—	—
de Morgan		3	—	18	3	[illegible]	—	—
Debenham Tewsn	‡	43	—	130	43	[illegible]	‡	9.1
Dencora		117	—	158	117	[illegible]	6.3	—
Derwent Valley		340	—	715	335	[illegible]	3.4	♦
Dunloe House IE		31½	—	32⅜	13½	5.51	—	5.6
Dwyer IE		59	—	137	45	9.79	3.4	—
7¼pc Pf IE		35	—	63	29	4.47	7.6	—
✢Embassy		5	—	45	3	8.48	—	—
Eng & O'seas		28	-1	65	25	6.06	5.2	—
Ests & Agency	†a	200	—	275	200	12.0	7.4	22.3
Ests & General		70	+2	130	68	15.0	4	♦
8pc Cv Pf		81	—	73	56	12.8	11.1	—
Elonbrook		87	—	75	60	2.57	5.5	11.9
Evans of Leeds	†	128	-4	145	93	79.5	4.7	14.3
Ewart	‡	58	—	80	40	11.0	‡	5.8
■Five Oaks		24	-2	48	19	11.3	—	—
Fletcher King	‡	33	—	75	33	2.77	‡	8.7
■Frogmore Est	†	279	+3	378	275	111.3	6.7	27.8
Grainger Trust		118	-3	195	90	21.9	6.4	21.5
■Gt Portland		148	-4	255	140	324.1	9.5	12.6
9½pc Cv '02		£98	+1	£120	£87	48.8	10.8	—
Green Prop IE	g	93½	—	95½	70	14.8	5.2	♦
■Greycoat		39	-3	307	39	34.2	17.8	—
■Hambro C'wide		33	-2	78	33	188.4	0.2	—
■Hammerson A		482	-8	685	398	524.2	6.8	14.0
Hanover Druce		17#	—	78	13	1.02	—	—
Helical Bar		92	-2	220	92	17.4	14.5	29.7
5¼pc Pf '12		38	—	71	36	7.19	18.4	—
■Hemingway		23	-2	32	23	12.5	—	—
Herring Baker H	†	164	—	198	142	29.5	5.3	8.4
High-Point	‡	200xd	-2	223	208	18.8	‡	7.9
HK Land HK$		75	-1	83	46	2,015	0.9	♦
■HKKOCO		5¼	—	10	5	18.8	—	—
Jermyn Inv		185	—	250	180	3.70	2.2	38.6
■Land Secs	†	391	-4	565	388	1,974	6.7	12.2
10pc 2025		£95	-½	£99⅛	£85⅛	478.3	10.5	—
10pc 1st Mtg '27		£96	-½	£99⅛	£92⅛	198.6	10.5	—
10pc 1st Mtg Db '30		£97⅛	+⅛	£99⅛	£84⅞	195.9	10.2	—
ψLend Lease A$	gt	886	+1	915	537	1,343	3.8	10.3
Latinvest 11¼pc Db		£98	—	£98	£85½	68.6	11.5	—
Lon & Assoc	g	20½	—	27½	16½	14.5	3.3	13.2
Lon & Ed 8⅞pc Pf		83	—	85	70½	41.5	14.3	—
■Lon Merchant		70	-1	84	67	168.8	6.9	10.1
Dfd		30	-1	37	26	28.4	—	—
7¾pc Cv '00/05		£80½xd	—	£90½	£75½	19.3	9.6	—
■Lon & Metrop		1½	-½	8¼	1½	8.85	—	—
■Lon Securities		2½	—	28½	2½	1.93	—	—
8¾pc Cv Pf		3	—	53	2	0.73	—	—
■MEPC		306	-6	555	305	988.4	8.7	9.8
■Markheath	‡	16	—	43	15	18.3	‡	—
McInerney		6	—	30	4½	2.71	—	—
McKay Secs	†	130	—	186	130	35.4	5.6	10.9
Marlvale Moore	‡	78	—	243	70	9.89	‡	5.6
Merlin Intl		5#	—	8	2	1.32	—	—
✢Micklegate		8	—	31	8	1.55	8.3	—
✢Molyneux Ests		24	—	38	24	4.36	2.8	—
✢Moorfield Ests		34	—	49	28	2.86	0.4	—
■Mountleigh	†g	7¼	-¾	100	6	45.9	‡	—
5¼pc Cv Pf		12	—	84	10	9.96	58.3	—
Mountview Ests	†	925	-20	1115	815	45.3	2.2	8.4
■✢Mowat		4	—	17	3½	8.91	—	—
■Mucklow (A & J)	†	125	—	140	104	123.0	6.1	16.0
■New Cavendish		45	—	63	33	8.30	—	♦
■Ossory Ests		19½	-1½	66	13½	12.3	—	3.9
Palmerston	‡	49	—	130	49	10.5	‡	—
Peel		103	—	179	91	123.4	3.9	
Power Corp IE	†g	88	—	143	88	162.3	8.3	9.3
■Prior		3	—	24	2½	0.86	—	—
Prop Partnerships	†	200	-5	250	195	21.8	4.5	15.8
■Prop Sec Inv	†h	94	—	123	84	113.2	4.4	30.6
■✢Property Tst		6½	—	1¼	0¼	13.7	—	—
■Raglan		1¼	-¼	3½	1¼	2.18	—	8.5
■Regalian	†g	23	-2	183½	23	28.8	25.5	2.7
■Rosehaugh		8¾	-1¼	112	4	8.74	—	—
Rowlinson		150	—	172	150	20.0	1.1	13.2
Safeland	‡	7	—	26	6	1.32	‡	42.7
■Savills		29	-1	63	28	18.7	—	—
■St Modwen		18	—	28	13	18.7	4.8	9.4
Scot Metrop		58	-2	176	55	55.3	10.1	37.0
Shaftesbury		47	—	127	47	11.4	—	—
Sheafbank		19	—	28	17	2.88	1.4	♦
Sinclair Goldsm	‡	21xd	—	41	21	2.29	‡	—
■Slough Ests		168	-7	284	162	475.9	9.6	♦
8¼p Net Pf		92	-½	128½	92	138.2	12.0	—
6pc Cv Bd '03		£115	-½	£118½	£102	172.5	5.2	—
✢Smith (J)	†	83	—	111	83	12.8	5.3	15.8
■Southend	†	66	-1	113	68	82.6	7.5	—
Warrants		25	—	38	25	1.58	—	—
5½pc Cv Pf		51	—	70	46	4.44	14.4	—
■Speyhawk		2½	-8½	163	2½	0.85	—	—
■✢Stanhope		25	-2	128	20	41.5	—	—
Tops Ests	†	143	—	193	143	65.8	1.7	27.8
Town Centre	s	78	—	88	64	75.5	5.0	16.4
■Trafford Park		52	-2	86	48	34.8	8.7	♦
■✢Trencherwood	‡	9	+1	98	5	2.25	‡	—
UK Land		18	-2	283	15	0.83	—	—
■✢Union Square		4	—	12	4	7.74	—	—
■Warner Est		189	—	247	173	86.9	6.7	18.6
Warnford Inv	†	238	—	288	227	91.4	3.9	18.3
Waterglade Intl	‡	4	—	25	2½	0.87	‡	0.5
7¾p Cv Pf		5	—	31	5	0.66	—	—
■Wates City of Lon		64xd	-2	173	63	77.0	7.8	16.1
✢Wood (JD)	‡	32	—	95	30	2.63	‡	—
✢Wtwy Mackay	‡	28	—	43	26	2.80	‡	5.5
■YRM		65	—	78	43	8.58	10.3	6.8

STORES

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Alexon		313	-24	445	287	90.4	4.6	♦
■Amber Day	†	77	—	129	58¾	94.2	4.7	12.1
■Argos	q	244	-5	339	239	723.0	3.6	17.2
Arnotts IE		181	—	209	150	31.5	5.1	♦
■Ashley (Laura)		94	+1	188	52	220.7	0.1	—
✢Asprey		278	+8	339	250	221.8	2.3	15.4
Austin Reed		288	—	385	285	7.56	4.4	46.9
A N/V		145	—	181	122	38.5	8.7	23.3
Beattie (J) A		138	-2	150	125	63.8	5.3	11.5
Bentalls		118	—	195	119	43.8	4.3	24.7
Bettonware	†b	242	-1	265	73	97.8	1.3	27.3
■Blacks Leisure	†g	94	—	136	38½	29.9	4.6	8.6
■Body Shop	†	339	-2	371	176	665.5	0.5	44.4
■Boots	†	428	-3	479	304	4,268	3.6	17.2
■Brown & Jckson		5¼	-½	38½	2¼	6.48	—	1.2
Brown (N)	†g	295	—	289	183	193.5	2.8	18.3
■Burton		39	-½	94¾	30	438.7	9.2	57.9
Cantors		543	—	708	525	5.43	1.0	33.7
A		153	—	188	173	19.3	3.5	9.5
Church		280xd	+3	355	275	38.1	5.8	♦
■Clinton Cards		61	-1	297	60	8.29	8.5	♦
Coles Myer A$	n	513	+6	581	315	2,193	3.1	16.8
Colorvision	Z	113	—	165	95	22.9	6.6	10.1
Courts		321	—	338	154	78.8	2.1	18.1
■Dixons		211	-5	274	125	818.8	3.7	22.3
(Net) Dv Cv Pf		76	—	88	54	137.7	8.8	—
■Dunhill	T	435	-8	628	283	730.8	2.1	15.8
■Era		22	-1	37	11	12.6	—	9.7
✢Essex Furn	†	43	—	46	26	2.89	7.0	12.7
■Etam	†	226	—	248	87	147.6	3.5	23.5
■Fine Art Devs	†	383	-6	389	212	286.8	3.6	15.1
Fired Earth Tiles		79xd	—	95	60	4.89	6.8	♦
✢French Connect	‡	14	—	67½	13	2.22	‡	17.9
■Goldsmiths		27	—	58	24	5.92	14.8	5.0
Great Universal	†	1925	+5	2000	1350	104.8	2.6	16.9
■GUS A	†	1435	+3	1564	1048	3,522	3.5	12.5
✢Hampden Home		55	—	63	20	6.59	5.0	♦
In Shops		75	—	109	72	27.7	4.4	13.5
■Kingfisher	q	471	-12	582	359	2,274	3.6	13.5
8½pc Ln 2000		£205½xd	-6	£261½	£156½	308.7	4.1	—
Kleen-E-Ze		61	—	79	23½	8.45	—	—
Liberty	†	600	-5	665	410	78.7	1.4	25.4
N/V	†	445	—	448	223	20.9	2.1	17.1
■Lloyds Chemists	†	319	-2	352	163	378.1	1.9	15.6
7½p Cm Pf		216xd	-1	233	131	38.8	4.7	—
Mallett		70	—	138	70	9.66	9.0	♦
■Marks & Spncr	†	291	+1	325	213½	7,970	3.1	18.8
Menzies (J)	†	360	-2	487	294	288.8	3.5	13.9
Moss Bros		116	—	135	113	18.8	5.7	25.6
■Next	‡	65½	—	71	11½	241.5	‡	—
Oliver Grp	H	59	—	128½	58	12.8	2.4	8.8
RFD	H	60	—	110	60	2.38	2.4	—
Oriflame Intl		135	—	135	75	69.5	8.9	10.2
Owen & Rob	M	14	—	40	9½	4.19	1.4	—
Partridge Fine		50	—	60	50	11.1	6.0	7.6
■Pentos		127	-2	171	101	182.2	2.9	♦
DS Hldgs	†	231	—	247	135	98.8	2.5	19.7

STORES - Cont.

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Ratners	M	15	—	191	14½	44.9	21.3	0.6
8⅞p Cv Pf		17	+1	85	15	6.13	—	—
✢Reject Shop		56	—	83	41	5.65	7.5	11.5
■Sears		95	-2	107	71	1,444	7.4	34.7
■Smith (WH) A	T	416	-3	498	301	1,123	4.0	14.7
■Storehouse		118	+1	126	83	475.6	5.7	—
Stylo		179	-1	185	178	34.3	6.7	33.7
■T & S Stores	†	205	-2	235	141	138.7	3.3	14.0
Tie Rack	H	28½	-½	33	18	14.6	2.3	—
Upton & Sthn		6	—	15	4½	0.43	—	—
✢Wld of Leather		45	—	51	15	3.68	—	♦
✢Wyevale		174xd	+9	205	121	58.9	2.9	♦

TELEPHONE NETWORKS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■British Telecom	†	314	-1	423½	268	19,339	5.8	9.2
■ New (partly-paid)		100¼	-2	129¼	99½	5,122	5.5	9.5
■Cable & Wire	†	528	-3	632	429	5,610	3.0	16.0
7pc Cv Ln '08		£135½	-3½	£168½	£118½	424.4	5.2	—
Gt Nordic	h	£27⅞	-1⅛	£40⅛	£27⅞	93.1	1.9	—
✢Hawthorn Leslie		1½#	—	8	1½	2.85	—	—
HK Telecom $		82½	-1½	86	40½	6,962	4.1	♦
Nth Telecom $		£25⅝	-⅛	£27⅞	£12⅞	6,275	0.7	—
Securicor		778	—	893	633	32.3	0.4	47.5
■ A N/V		554	-2	652	424	424.2	0.6	33.8
■Security Servs		458	-3	522	330	502.0	1.3	43.1
Telefonica Pta		645	—	787	454	8,978	7.6	♦
■Vodafone	†s	322	-8	414	251	3,236	2.2	17.9

TEXTILES

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Aiten		2¼	—	9	1½	1.54	—	—
Albion		41	—	64	31	1.54	8.1	4.4
■Alexandra Work		49	—	109	38	16.6	13.6	3.6
Allied Textile		414	—	457	313	116.8	4.0	♦
Atkins		124	-1	155	122	4.64	10.3	—
■Baird (Wm)	†g	217	+1	274	194	242.4	5.5	11.6
Beckman A		67	—	83	60	8.19	9.5	10.5
Brit Mohair		158xd	—	162	85	19.9	7.6	♦
✢Caldwell Invs		28	—	36	10	1.76	—	—
Campari Intl	†	436	—	448	183	45.9	3.4	11.9
✢Castle Mill Intl		4½	-¼	19	4½	0.66	—	1.5
Celestion		33	-1	49	25	7.88	5.0	—
■Claremont		225	—	235	163	64.7	3.9	♦
■Coats Viyella	q	195	+1	204	99	1,125	4.9	18.5
■Conrad Contl		8½	+½	13½	7	2.26	—	—
■Courtaulds Text		447	+6	468	235	450.1	3.9	♦
✢Cupid		75	—	100	65	5.48	5.3	11.5
■Dawson Intl		197	+1	198	135	303.5	6.1	23.5
■Dewhirst	g	27½	—	32	17½	34.8	3.1	12.6
Drummond	M	48xd	—	48	17	6.49	5.0	—
✢Faupel Trdg		72	—	86	56	5.67	9.1	7.5
Forminster	1	453	—	454	338	13.9	3.5	9.1
Foster (J)		54	—	68	36	6.17	1.2	—
French (T)		59	—	68	35	7.05	8.2	23.9
GR	s	53	—	117	63	8.30	4.6	10.1
✢Gabicci		58	-1	87	38	6.67	10.4	6.8
Gaskell		125	—	175	125	6.07	9.5	♦
Gent (SR)	‡	45xd	—	76	39	18.2	‡	—
Haggas (J)	†	92	—	112	33	20.0	4.3	18.1
■Hawtin		11¼	—	19	11	7.65	9.8	7.9
■Helene		18	-1	29½	12	13.9	14.1	5.2
Hicking Pent	†	100	—	123	64	16.4	3.0	9.8
■Hollas		14	+½	19	11	7.40	11.4	26.2
✢Honeysuckle		45	-1	56	20	3.85	3.0	8.7
Hse of Lerose		134	—	139	90	7.63	10.2	13.3
Ingham		125	—	133	53	4.80	3.2	—
Jacques Vert	‡	52	-3	208	52	4.94	‡	2.4
Jerome	‡	41	—	71	40	3.08	‡	7.6
Lamont		347	—	385	220	82.2	4.6	13.9
Leeds		364	—	365	187	43.3	3.6	15.7
Leslie Wise		87	—	85	57½	21.4	8.0	12.3
Lister		29	—	66	29	4.77	0.5	—
Lowe (RH)		10	—	18	10	4.69	—	—
Lyles (S)		94	-1	100	37	6.83	6.3	11.1
Martin (A)	†	88	—	98	41	15.7	8.4	10.8
Palma		21	—	25	9	4.02	—	—
Parkland A	‡	78	—	103	61	5.41	‡	—
✢Pepe	‡	84	—	119	72	22.2	‡	7.3
■Readicut Intl		72	—	76	33	137.7	6.4	15.2
Rexmore		27	-½	34½	25	4.74	11.1	6.7
Richards		53	—	85	53	12.4	10.1	13.0
■SEET	†	39	—	51	15	1.58	‡	—
✢Shani		91	—	91	46	13.0	5.9	10.2
✢Sherwood Grp	†	770	—	773	330	158.8	1.6	16.0
Shiloh	9	122	—	128	63	7.84	2.9	12.6
■Sirdar		81xd	—	90	36	43.3	8.5	13.3
Stirling Grp		33	—	43	25	28.8	8.1	13.2
■Stoddard Skrs	†	47	—	54	34½	28.5	7.1	17.0
Tomkinsons		[illegible]	—	293	190	18.6	5.8	20.1
Toray Y		27	—	316	215	3,831	1.2	28.9
■Unigroup		[illegible]	-1	31	14	4.98	—	—
Utd Uniform	†	[illegible]	—	118	86	28.8	2.2	8.5
✢Usher (F)	†	7	—	79	32	5.83	7.4	9.1
Victoria Carpet		18	—	127	80	6.98	6.5	5.6
Vivat		2	—	65	24	14.9	2.5	4.1
✢Wensum		6¼	—	78	55	4.57	7.7	9.5
■West Trust	§	4	—	7	4	5.31	8.3	11.2
Worthington	†	42	—	58	19	4.28	2.4	11.1
Yorklyde		225	—	239	140	11.8	5.7	9.0
Youghal IE		3¼	—	18	3¼	1.81	—	—

TRANSPORT

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Assoc Br Ports		349xd	—	405	167	647.8	3.1	♦
All Nippon Air		434	-63	671	434	6,261	0.5	—
■BAA	†	555	-1	585	326	2,797	3.1	18.7
Bergesen NKr		£9½	+⅛	£16¼	£8¼	378.3	1.0	♦
■British Airways	†	258	-2	276	122	1,820	4.7	—
Cap 9¾pc Cv		128	-1½	132	74	3.84	8.1	—
CSX A$		£33½	-⅛	£36	£15⅞	3,420	2.5	17.2
ψCathay Pac HK$		87	-1	95¾	46	2,492	3.6	♦
■Clarkson (H)		134	-1	237	134	38.6	8.3	♦
Cons Freight $		1012	+4	1152	595	344.1	—	—
■Davies & N'wmn		83	—	208	54	95.1	—	—
Dawsongroup		78	—	77	12	28.3	2.6	—
■Eurotunnel Uts		411	+6	543	344	1,897	—	—
■ Warrants		6½	+½	28	6	14.3	—	—
Fisher (J)		71xd	—	121	71	17.5	10.3	♦
GATX $		£16⅛	-⅛	£23¼	£12⅝	384.9	4.5	—
Graig Shipg	†	80	—	188	75	6.40	6.7	12.8
IoM Steam		195	—	283	128	29.3	5.3	♦
Jacobs (JI)		25	+1	52	24	5.99	10.3	♦
Lon O'Seas Frts		86	—	118	55	10.8	1.6	6.9
Man Ship Can		£13⅞	+⅛	£22	£13⅛	55.5	0.4	5.6
Mayne Nick A$	g	389	—	391	219	878.7	4.6	15.8
■Mersey Docks		202	-1	225	158	121.3	4.0	♦
■NFC Var Vtg	†	235	—	254	116	1,297	3.6	18.9
■Norex		108	-3	167	86	10.9	2.5	3.2
Norsh IE		115	-2	133	78	9.68	12.8	10.0
■Ocean Grp	†g	317	-3	383	277	487.1	6.0	12.9
■Ocean Wilsons		50	—	52	30	19.8	7.3	4.8
■P & O Dfd	q	426	-3	595½	364	2,885	9.9	13.4
Sub Wrrnts '88/92		0¼	—	31	0¼	0.87	—	—
5½pc Pf		99	—	118	87	66.9	7.4	—
6¾p Cv Pf		92	—	109	83	51.1	10.2	—
■Powell Duffryn		270	—	351	259	174.3	11.2	12.2
Sea Containers $		1055	-11	1567	992	104.9	3.7	—
✢Seacon		97	—	112	84	9.32	5.8	8.1
Seafield IE		16	—	33	15	10.6	—	1.5
■TIP Europe	†g	43	+1½	99	38	72.7	5.7	7.9
TNT A$		84½	+2	87	32	477.8	3.8	10.1
Tibbett & Britten		532	+3	553	283	193.8	2.6	♦
■Tiphook	†	352	—	587	295	388.2	5.2	5.3
■Transport Dev		250xd	—	283	206	365.2	5.1	15.7
Turnbull Scott		75	—	125	75	4.73	—	—
Vard A NKr		£7⅛	+⅛	£8¼	£4½	230.4	—	—

WATER

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
■Anglian	†	325	-1	409	322	958.8	7.2	6.7
Bristol Water	Z	580	—	680	470	34.2	1.6	14.9
East Surrey	†	215	—	225	135	27.8	5.0	6.0
Mid Kent		163	—	178	155	27.7	7.4	4.6
■North West	†	349	-2	395	322	1,210	7.1	6.0
■Northumbrian	†	365	+2	487	327	243.8	6.8	4.7
■Severn Trent	†	319	-1	378	296	1,129	7.3	4.9
■Southern	†	321	-2	397	293	528.0	7.4	5.3
South Staffs	Z	580	—	700	625	38.5	2.1	6.6
■South West	†	349	—	392	302	421.1	7.8	5.1
■Thames	†	345	-1	397	323	1,335	6.8	7.0
■Welsh	†	371	+4	422	341	538.5	7.0	4.5
■Wessex	†	393	-5	456	325	494.6	6.0	6.2
■Yorkshire	†	350	-2	431	335	891.8	6.7	6.3

SOUTH AFRICANS

	Notes	Price	+or -	1991/92 high	low	Mkt Cap£m	Yld Gr's	P/E
Anglo Am Ind		£13⅞	—	£17	£11	759.2	5.4	♦
Barlow Rand		£9⅛	+⅛	£10⅛	£5⅞	1,882	3.6	13.4
Gold Flds Prop	s	98	—	168	63	10.0	10.2	♦
New Klein Prop		145	—	155	105	2.91	8.7	3.9
OK Bazaars		165	+5	288	133	165.6	7.7	8.0
ψSASOL		318	+10	385	189	1,793	4.5	♦
SA Brews		808	+15	1110	557	4,611	2.8	18.3
Tiger Oats	g	£6½	—	£7¼	£4	975.4	2.2	16.3
Tongaat-Hulett		398	+10	489	200	319.8	3.7	10.4

PLANTATIONS

	Notes	Price	+or -	1991/92 High	low	Mkt Cap£m	Yld Gr's
Rubbers, Palm Oil							
Anglo-East		38	—	53	35	18.3	—
Bertam		89	—	87	74	16.2	3.3
Cons Plants MS	†	42	-2	50	31	286.3	4.1
Golden Hope MS	n	39	-1	44	29	383.8	3.3
Highlands MS		24xc	—	33	23	72.5	10.5
Kuala Kepong MS		74	—	95	59	313.5	4.4
Rowe Evans		34	—	61	33	12.1	3.8
Teas							
Moran		133	—	168	130	5.93	1.0
Williamson		700	-100	1275	700	22.6	4.8

MINES

	Notes	Price	+or -	1991/92 High	low	Mkt Cap£m	Yld Gr's
Central Rand							
Durban Deep		273	-1	459	166	6.35	—
East Rand Prp		151	+14	270	130	25.1	—
Randfont'n Est	†	241	—	334	158	147.3	‡
Simmer & Jack		38	—	45	23	8.10	—
West Rand		69	—	165	58	2.83	16.0
Eastern Rand							
ψAFMIN	Z	2	—	7	2	0.48	5.0
Bracken		21⅞	—	42	18	3.06	22.9
East Daggs	†	144	—	292	128	11.3	‡
Eastern Trans		43	—	88	43	37.1	6.7
ERGO	‡	79	+2	106	77	36.8	‡
Grootvlei		89	—	98	40	7.89	16.0
Kinross		582	+42	1112	540	104.8	8.1
Leslie		38¼	+3	69	33½	5.80	11.1
Randex		7	—	30	5	0.63	—
S African Ld		16	—	49	16	1.88	—
Winkelhaak		561	-1	1184	532	58.3	3.6
Far West Rand							
Blyvoor		95	—	192	91⅛	22.8	6.5
Buffels		392	+3	881	369	43.1	10.7
Deelkraal		101	—	157	92	100.5	4.0
Doornfontein		20⅛	—	84	19	8.85	—
Driefontein		651	-1	844	505	1,328	4.8
Elandsrand		320	-1	622	268	310.4	2.2
Elsburg		37½	-1	87	32	11.3	—
Hartebeest		229	+3	432	216	268.6	9.7
Kloof		488	+2	784	361	691.9	3.9
Libanon		34½	—	70	28	13.8	—
Southvaal		£10⅝	—	£21¼	£10	275.3	4.9
Stilfontein		46	—	104	42½	8.01	4.4
Vaal Reefs		£32	-⅞	£47⅞	£25⅛	611.0	6.7
Venterspost		29	—	67	22	6.86	—
Western Areas		82	-½	139	54	26.0	—
Western Deep		£15⅞	+⅛	£28⅛	£12	439.9	5.0
Zandpan		38	—	72	33	49.5	9.0
O.F.S.							
Beatrix	‡	213	—	460	213	181.1	‡
FS Cons	?	473	+6	594	316	564.4	6.2
Free State Dev		23	+3	84	15	6.11	—
Harmony	‡	308	—	485	237	62.8	‡
Joel (HJ)		42	—	128	38	41.2	—
Loraine		47¼	-1¼	144	42	7.82	—
St Helena		349	-1	550	304	33.5	11.5
Unisel		166	—	296	139	48.5	1.2

MINES - Cont.

	Notes	Price	+or -	1991/92 High	low	Mkt Cap£m	Yld Gr's
Diamond and Platinum							
Anglo Am Inv		£16½	—	£21½	£10½	1,650	4.6
De Beers Lkd Uts		£13⅛	—	£18⅞	£9⅞	4,947	4.5
40pc Pf		325	—	325	275	2.88	12.9
Impala Plat	‡	659	+12	1214	604	403.1	‡
Lydenburg	‡	768	—	1080	625	129.9	‡
Northam Plat		359	—	478	269	205.2	—
Rustenburg	‡	£11⅛	+⅛	£14⅞	£7¼	1,456	‡
Central African							
Falcon Z$	†	27	—	46	17	5.39	6.7
Wankie Col Z$		14	—	28	10	3.55	13.0
Willoughby's		66	—	88	65	2.37	4.1
Pfd		35	—	44	25	1.65	11.2
Zambia Cpr $BD		41	+1	50	15	50.2	—
Finance							
Ang Am Coal R	†	£20⅛	+½	£26⅛	£12¼	520.9	4.1
Anglo Amer R	†	£19½	-⅛	£23½	£13	4,523	3.3
Ang Am Gold R	†	£34	-⅛	£48⅞	£29⅝	821.0	4.6
■✢Anglo Pac Res		12	—	18	10¼	9.32	—
Anglovaal R	†	£12⅞xd	+¼	£14⅛	£6⅝	532.9	1.4
Antofagasta		530	—	605	270	158.7	3.9
5pc Pf		55	—	70	49	1.18	9.5
■Cluff Res		19½	—	87¼	15	14.2	6.8
Genbel R	†	98	—	138	70	389.0	7.3
Gencor R	†	170	—	275	137	2,339	5.1
Gold Fields SA R		1136	-3	1749	846	1,093	3.6
Jo'burg Cons R	†	875	—	1025	512	1,298	3.0
Middle Wit R		135	—	155	65	434.2	0.9
Minorco $	†	816	+17	888	684	1,389	3.6
Monarch Res		57	-2	175	48	6.69	—
New Wits R		135	—	239	135	41.4	7.7
OFS Invs R	†	1084	-3	1376	776	239.5	7.1
Rand Mines R		£12⅛	—	£14⅝	£8⅛	184.5	4.9
Rand Mine Props R	s	210	—	253	163	26.0	11.5
Vogels		88	—	115	65	14.7	15.0
Waverley	s	19	—	58	19	2.38	—
Welkom R	†	280	+3	337	210	99.8	6.9
Australians							
ψACM Gold	♦	25½	—	28	13	87.7	9.0
ψAztec Expln	Z	35	—	37	20	—	1.2
ψBougainville		20	-2	49	19	80.2	—
ψCRA	‡	613	+10	662	355	3,622	‡
ψCentral Pacific		48	-1	90	35	—	—
ψCroesus		6½	—	6½	2½	—	—
ψDelta Gold		56	-1	63	17	68.4	—
ψDominion		27	—	42	22	106.0	7.3
Doral Res		30	—	34	11	—	1.4
ψDragon Res		6½	—	6½	1½	1.42	—
ψEmperor		27	—	32	20	13.3	—
ψForsayth		7	—	7	3	—	—
ψGM Kalgoorlie		35	+½	36½	19½	166.7	1.2
ψGwalia Cons		49	—	53	29	29.1	1.8
ψIodon Diamond	n	38	—	83	35	2.18	—
ψJulia		1½	—	1¾	0½	1.49	—
ψKidston Gold		66	—	84	54	82.5	24.7
ψMeekatharra		33xc	+1	49⅞	18⅝	11.1	—
ψMetana Mnls		28	—	43	9	11.2	—
ψMIM	‡	118½	+2	116½	56	1,614	‡
ψMolopo		5	—	10	2	1.50	—
ψMount Burgess		10½	—	12	1	2.94	—
Mount Martin	Z	18	—	25	16	18.8	7.4
ψNormandy Posdn		48	—	60	38	—	—
ψNB Hill Peko		108	+2	122	69	649.1	5.3
ψPancontinental		44	-1	77	25	73.3	3.9
ψParagon Res		2½	—	3	2	11.7	—
ψPasminco		53	—	77	49	381.6	—
ψPlacer Pacific		125	+2	130	93	777.8	—
ψPrecious Metals		19	+1	35	10	—	—
ψRenison		218	-1	323	186	416.0	7.3
ψSt Barbara		17	+1	25	2	—	—
ψSamson Expl		1½	—	1¾	0¾	1.14	—
ψSons Gwalia		188	-1	242	136	62.8	12.0
ψSouthern Pacific		19	—	32	13	52.8	—
ψSpargos		2½	—	2½	1	5.46	—
Westn Mining	‡	218	+1	259	153	2,057	‡
ψWestralian Res	♦	8	—	8	0½	1.37	—
Tins							
ψAyer Hitam M$		31	—	31	20	2.84	12.3
Gopeng M$		91	—	91	45	14.5	1.2
Malaysia Mine M$		44	—	57	27	184.8	2.5
Petaling M$		170	—	178	130	17.1	1.3
Miscellaneous							
Anglesey		7	—	83	7	1.49	—
‡‡Andaman Res IE		27	—	58	23	1.28	—
Anglo-Dominion		4½	+½	9¼	3¾	—	—
■‡‡Burmin Expl IE		10	—	15	6	1.85	—
■[illegible]		2¼	—	13	2	5.30	—
ψCaledonia Min		22	—	29⅛	21½	2.34	—
‡‡Celtic Gold IE		13	—	19	12	2.31	—
Cons Murch R		28	—	54	15	1.25	—
ψDRX $		4	—	13	2	—	—
■✢Ennex Intl IE		5	—	11½	4½	4.19	—
■Europa Mnls		9	+1	29	6	3.28	—
‡‡Feltrim IE		4	—	10	1½	0.44	—
Geevor		4¼#	—	17	2	1.62	—
‡‡Glencar Expl IE		13	—	34	11	2.48	—
■Greenwich Res		7¼	—	26	7¼	5.34	—
Hemlo Gold C$		£4	-⅛	£6¼	£3⅝	385.6	2.9
Homestake $		£7¼	—	£11⅛	£7¼	728.4	1.6
■‡‡Iverna West IE		45	—	61	30	14.3	—
■‡‡Kells Mnls IE		36	—	46	32	0.87	—
■✢Kenmare		4½	—	25	3½	4.32	—
‡‡Navan Res IE		24	—	28	15	3.22	—
Northgate Expl C$	s	39	+1	99	37	4.92	—
North West Expl A$		3	—	16	2	1.01	—
Oryx Gold $		78	—	188	77½	—	—
■‡‡Ovoca Gold IE		9	—	23	8	8.63	—
Plateau		8	—	44	9	4.10	—
■RTZ	q	674xd	-3	685	404	5,745	4.5
■✢Vizcaya		2	—	10	2	1.87	—
ψWestern & Pac C$		22	—	152	7	12.1	—
✢Young Grp		35	—	133	25	6.27	19.8

GUIDE TO LONDON SHARE SERVICE

Company classifications are based on those used for the FT-Actuaries Indices and FT-Actuaries World Indices.

Closing mid-prices are shown in pence unless otherwise stated. Highs and lows are based on intra-day mid-prices.

Where stocks are denominated in currencies other than sterling, this is indicated after the name.

Symbols referring to dividend status appear in the notes column daily as a guide to yields and P/E ratios. Dividends and Dividend covers are published on Monday.

Market capitalisation shown is calculated separately for each line of stock quoted.

Estimated price/earnings ratios are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation, excluding exceptional profits/losses and unrelieved ACT where applicable. Yields are based on mid-prices, are gross, adjusted to ACT of 25 per cent and allow for value of declared distribution and rights.

Estimated Net Asset Values (NAVs) are shown for Investment Trusts, in pence per share, along with the percentage discounts (Dis) or premiums (Pm -) to the current pre-closing share price. The NAV basis assumes prior charges at par value, convertibles converted and warrants exercised if dilution occurs.

- ■ Indicates the most actively traded stocks. This includes UK stocks where transactions and prices are published continuously through the Stock Exchange Automated Quotation system (SEAQ), and non-UK stocks which are quoted on SEAQ International
- ● "Tap Stock"
- • Highs and lows marked thus have been adjusted to allow for rights issues for cash
- † Interim since increased or resumed
- ‡ Interim since reduced, passed or deferred
- ¤ Tax-free to non-residents on application
- ♦ Figures or report awaited
- ψ Not officially UK listed; dealings permitted under rule 535(4)(a)
- ✢ USM; not listed on Stock Exchange and company not subjected to same degree of regulation as listed securities.
- ‡‡ Not officially UK listed; dealings permitted under Rule 535(2)
- # Price at time of suspension
- ¶ Indicated dividend yield after pending scrip and/or rights issue.
- ◊ Merger bid or reorganisation in progress
- § Forecast dividend yield, p/e based on earnings updated by latest interim statement.
- ♠ Unregulated collective investment schema.

a Yield based on annualised dividend
b Figures based on prospectus or other official estimates.
c Cents.
f Flat yield.
g Assumed dividend yield after rights issue.
h Assumed dividend yield after scrip issue.
k Rights issue pending
q Earnings based on preliminary figures.
s Dividend yield excludes a special payment.
t Indicated dividend yield, p/e ratio based on latest annual earnings.
u Forecast, or estimated annualised dividend yield, p/e based on previous year's earnings.
v Subject to local tax.
z Dividend yield includes a special payment
E Minimum tender price.
F Yield based on prospectus or other offical estimates for 1990-91
G Assumed yield after pending scrip and/or rights issue.
H Yield based on prospectus or other official estimates for 1991.
K Yield based on prospectus or other official estimates for 1992-93
L Estimated annualised yield, p/e based on latest annual earnings.
M Yield based on prospectus or other offical estimates for 1991-92.
N Yield based on prospectus or other official estimates for 1992.
P Figures based on prospectus or other offical estimates for 1991
R Forecast annualised yield, p/e based on prospectus or other offical estimates.
T Figures assumed.
W Pro forma figures.
Z Dividend yield to date.

Abbreviations:
xd ex dividend;
xc ex scrip issue;
xr ex rights;
xa ex all;
xt ex capital distribution.

This service is available to companies whose shares are regularly traded in the United Kingdom for a fee of £1200 a year for each security shown, subject to the Editor's discretion

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AUTHORISED UNIT TRUSTS

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
AIB Unit Trust Managers Limited (1000)F						
51 Belmont Rd, Uxbridge (Middx) UB8 1RZ 0895 259783						
AIB Grofund America	5	118.5	119.7	126.0	-1.00	0.00
AIB Grofund Equity	5	166.5	168.5	178.3	+0.10	1.85
AIB Grofund Euro	5	135.0	136.8	144.0	+0.60	0.91
AIB Grofund Gilt	3	68.97	69.01	71.15	+0.23	7.25
AIB Grofund Japan	5	111.6	112.9	118.8	-0.90	0.00
Abbey Unit Tst Mngrs (1000)H						
80 Holdenhurst Rd, Bournemouth 0345 717373						
High Income						
Gilts & Fixed Int	6	115.9	115.9xd	123.0	+0.4	8.41
High Inc Equity	6	119.6	122.6	130.4	-0.1	6.52
Worldwide Bond	6	219.8	219.8xd	233.0	-0.1	6.11
Capital Growth						
American Growth	6	210.4	211.8	225.3	-0.2	.99
Asian Pacific	6	136.2	141.1	150.1	-0.8	1.43
Assets & Earnings	6	176.6	180.4	191.9	+2.9	3.18
Capital Reserve Acc	0	113.5	113.5	113.6	+0.1	7.91
Capital Reserve Inc	0	83.92	83.92xd	83.99	+0.06	7.91
Commod & Energy	6	68.26	69.36xd	73.78	+1.38	1.44
1992 Enterprise	6	66.31	67.79	72.11	+1.30	3.02
Euro Capital Acc	6	90.99	92.30	98.19	+1.44	1.06
Euro Capital Inc	6	86.43	88.19	93.81	+1.37	1.07
General	6	161.2	164.4xd	174.8	+2.6	3.32
Japan	6	78.07	79.03	84.07	+0.04	-
Mastertrust	6	86.99	88.42	94.06	+0.9	2.50
UK Growth Acc	6	160.2	168.2	178.9	-0.7	2.57
UK Growth Dist	6	101.8	106.8	113.6	-0.5	2.61

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Brewin Dolphin Unit Tst Mgrs Ltd (0905)F						
5 Giltspur St, London EC1A 9DE 071-236 6441						
Dolphin Special Sits	5½	114.7	114.7	122.6	-1.1	3.62
Dolphin Dividend	5½	55.16	55.16	58.99	+0.36	6.34
Dolphin Int Gth & Inc	5½	153.7	153.7	164.3	+0.2	4.48
Dolphin Uk & Gen	5½	35.29	36.48xd	37.94	+0.05	2.22
Dolphin Fund of Funds	5½	46.46	48.05xd	51.38	-0.33	1.84
Britannia Life Unit Managers Ltd (1200)F						
190 West George St, Glasgow G2 2PA 041-332 3132						
Balanced Growth	6	74.71	76.02xd	81.31	-0.79	2.87
Do (Accum)	6	80.63	82.04	87.75	-0.82	2.87
Service Cos	6	62.44	62.44xd	66.78	-0.35	1.87
Do (Accum)	6	66.31	66.31	70.92	-0.37	1.87
Income Growth	6	37.22	37.22xd	39.81	(z)	5.53
Do (Accum)	6	54.58	54.58	58.37	(z)	5.53
Higher Yield	6	29.64	29.64xd	31.70	-0.14	5.25
Do (Accum)	6	39.02	39.02	41.73	-0.18	5.25
American Gth Inc	6	40.65	40.65xd	43.48	-0.72	0.00
Do (Accum)	6	41.43	41.43	44.31	-0.73	0.00
European Growth	6	25.74	25.74xd	27.53	(z)	2.15
Do (Accum)	6	26.46	26.46	28.30	(z)	2.15
Global Bond Inc	6	23.07	23.10xd	24.71	+0.34	5.16
Do (Accum)	6	27.64	27.68	29.61	+0.41	5.16
Managed P'folio Inc	6	26.14	26.23xd	28.05	+0.04	0.00
(Do Accum)	6	26.14	26.23	28.05	+0.04	0.00
Brown Shipley & Co Ltd (1000)F						
9-17 Perrymount Rd Haywards Hth 0444 412262						
Mngd P'folio Inc	6	75.20	75.20	80.09	-0.16	2.60
Mngd P'folio Acc	6	139.6	139.6	148.7	-0.30	-
UK General	6	114.8	114.8	122.3	-0.10	4.15
Com & General	6	16.20	16.20xd	17.25	-0.15	11.03
European Inc	6	20.88	20.88	22.47	+0.03	0.50
European Acc	6	21.44	21.44	23.08	+0.03	-
Financial	6	85.60	85.60xd	91.16	-0.08	2.11
Foundation	6	58.61	60.11xd	64.02	-0.16	4.38
German	6	36.56	36.56	39.17	-0.08	0.10
Growth Inc (5-1)	5	23.06	23.07	24.57	.	3.77

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Marlborough Fund Managers Ltd (1630)F						
57 Victoria Square, Bolton, BL1 1LA 0204 364842						
Managed Tst	5	51.68	51.90xd	55.22	.	5.70
Martin Currie Unit Trusts Ltd (0905)H						
Saltire Crt, 20 Castle Terrace, Edinburgh 031 479 4646						
Far East (Pacific)	5¼	94.82	96.37	102.3	+1.4	0.79
Income & Growth	5¼	58.62	59.54	63.20	+0.34	4.99
European (z)	5¼	57.02	57.45	60.98	+0.46	1.24
Nth American (z)	5¼	41.18	41.67	44.23	+0.14	0.73
Intl Growth (4-1)	5¼	72.68	74.22	78.78	+0.01	2.22
UK Growth	5¼	58.14	58.96	62.59	+0.02	1.76
Intl Income	5¼	50.65	51.11xd	54.25	+0.11	5.94
High Yield	5¼	42.09	42.65	45.27	+0.32	8.83

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
National Provident Inv Mgrs Ltd – Contd.						
NPI Extra Inc Dist	5½	51.26	51.80	55.40	+0.07	4.12
NPI UK Spec Opp Acc	5½	52.96	53.73xd	57.46	+0.06	3.43
NPI W'wide Acc	5	83.01	85.87	91.39	+0.36	0.03
NPI W'wide Dist	5	79.54	82.28xd	87.53	+0.35	0.03
NPI W'wide Inc Dist	5½	50.42	52.14xd	55.76	+0.46	4.89
For National & Provincial UT Mngrs see N&P UT Mngrs						
Newton Fund Mngrs Ltd (1200)F						
2, London Bridge, SE1 071-407 4404						
Newton Income	6	149.51	153.21	162.99	-0.52	5.73
Newton Global	6	215.52	215.52	229.28	-0.50	2.30
Newton General	6	134.04	127.47	135.61	-0.23	3.77
Newton Intl Bd	6	99.37	100.78	107.22	—	7.47

	Init Chrge	Canc. Price	Bid Price	Offer Price	+ or -	Yield Gr's
Save & Prosper Group (0900)H						
16-22 Western Rd, Romford RM1 3LB						
Capital Hse, 2 Festival Sq, Edinburgh EH3 9SX						
(Romford) 0708-766966 or (Edin.) 031-228 4300						
Amer Inc & Grth	5½	55.51	55.51	59.05	-0.04	4.06
Amer Smllr Cos	5½	66.15	67.18	71.46	-0.09	-
Capital	5½	113.2	113.2	120.4	+0.1	2.98
Cash ▼	0	111.1	111.1xd	111.1	...	10.01
Commodity	5½	77.34	77.24xd	82.17	+0.59	1.69
Eastern Discovery	5½	61.83	63.03	67.05	-0.04	0.42
Energy Inds	5½	64.70	64.70	68.82	+0.07	0.98
European Grth	5½	129.0	129.1	137.3	-0.1	1.32
Euro Inc & Grth	5½	56.82	56.82	60.44	+0.02	2.78
Euro Smllr Co's	5½	37.36	37.45	39.84	-0.27	1.23

Guide to pricing of Authorised Unit Trusts

Compiled with the assistance of Lautro §§

INITIAL CHARGE: Charge made on sale of units. Used to defray marketing and administrative costs, including commission paid to intermediaries. This charge is included in the price of units.

OFFER PRICE: Also called issue price. The price at which units are bought by investors.

BID PRICE: Also called redemption price. The price at which units are sold back by investors.

CANCELLATION PRICE: The minimum redemption price. The maximum spread between the offer and bid prices is determined by a formula laid down by the government. In practice, most unit trust managers quote a much narrower spread. As a result, the bid price is often set above the cancellation price. However, the bid price might be moved to the cancellation price by the managers at any time, usually in circumstances in which there is a large excess of sellers of units over buyers.

TIME: The time shown alongside the fund manager's name is the time of the unit trust's valuation point unless another time is indicated by the symbol alongside the individual unit trust name. The symbols are as follows: (▼) - 0001 to 1100 hours; (♦) - 1101 to 1400 hours; (▲) - 1401 to 1700 hours; (♣) - 1701 to midnight. Daily dealing prices are set on the basis of the valuation point; a short period of time may elapse before prices become available.

HISTORIC PRICING: The letter H denotes that the managers will normally deal on the price set on the most recent valuation. The prices shown are the latest available before publication and may not be the current dealing levels because of an intervening portfolio revaluation or a switch to a forward pricing basis. The managers must deal at a forward price on request, and may move to forward pricing at any time.

FORWARD PRICING: The letter F denotes that the managers deal at the price to be set on the next valuation. Investors can be given no definite price in advance of the purchase or sale being carried out. The prices appearing in the newspaper are the most recent provided by the managers.

SCHEME PARTICULARS AND REPORTS: The most recent report and scheme particulars can be obtained free of charge from fund managers.

Other explanatory notes are contained in the last column of the *FT Managed Funds Service*.

§§ Life Assurance and Unit Trust Regulatory Organisation, Centre Point, 103 New Oxford Street, London WC1A 1QH. Tel: 071 – 379 – 0444.

FT MANAGED FUNDS SERVICE

• Current Unit Trust prices are available on FT Cityline. Calls charged at 36p/minute cheap rate and 48p/minute at all other times. To obtain a free Unit Trust Code Booklet ring (071) 925-2128.

INSURANCES

OTHER UK UNIT TRUSTS

Continued on next page

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	Bid Price	Offer Price	+ or -	Yield Gross
Norwich Union Life Insurance Soc.–Contd.				
Pensionmaster & Unit-Linked Plus*				
Mixed Fund	433.2	456.0	-2.2	-
Ordinary Share Fund	646.6	680.6	-2.0	-
International Fund	170.0	178.9	-2.2	-
Property Fund	258.3	271.9	-1.4	-
Fixed Interest Fund	388.9	409.3	-1.4	-
Index-Linked Sec Fund	187.6	197.5	-0.7	-
Deposit Fund	278.9	293.6	+0.4	-
Norwich Units Mar 14	1048.63			-
*Prices as at March 31				
Jersey Investment Plan				
With Profits Fund	123.08	129.56	+0.03	-
Intl Equity Fund	92.62	97.50	-0.38	-
Intl Bond Fund	120.51	126.85	+0.62	-

Norwich Union Pensions Management Ltd
Surrey Street, Norwich NR1 3NG 0603 683335

	Bid Price	Offer Price	+ or -	Yield Gross
Group Pooled Pensions				
Balanced Managed Fd	311.35	316.71	+0.49	-
Growth Managed Fd	103.24	105.12	+0.13	-
Sentinel Managed Fd	102.66	104.10	+0.11	-
Prices as at March 30				

Pearl Assurance (Unit Funds) Ltd
Thorpe Wood, Peterborough PE3 6SA 0733 63212

	Bid Price	Offer Price	+ or -	Yield Gross
Prop. Dist. (Gross)	133.8	140.9	+0.1	-
Prop. Acc. (Gross)	255.1	268.5	+0.1	-
Equity (Gross)	839.2	883.3	-3.6	-
Managed (Gross)	588.2	619.2	-2.3	-
Prop. Acc. (Net)	121.8	128.2	+0.1	-
Equity (Net)	195.1	205.4	-0.8	-
Managed (Net)	181.7	191.2	-0.7	-
International (Net)	165.7	174.4	-0.9	-
Gilt & Fxd Interest	131.2	138.2	-0.3	-
Money Fund	137.5	144.8	+0.1	-
Mixed Fund (Cap)	114.5	120.6	-	-
Mixed Fund (Acc)	118.0	124.3		-

	Bid Price	Offer Price	+ or -	Yield Gross
Provident Mutual Life Assc. Assn.–Contd.				
Fixed Interest Ord	216.9	228.3	+0.4	-
Fixed Interest Init	159.5	167.9	+0.2	-
Deposit Ord	183.8	193.5	-	-
Deposit Init	135.2	142.3	-	-
Pension Funds				
Managed Ord	447.4	470.9	-1.3	-
Managed Init	329.1	346.4	-1	-
Equity Ord	668.3	703.5	-2.3	-
Equity Init	491.5	517.4	-1.8	-
Pen Ind Lkd Gilt Ord	177.9	187.3	+0.1	-
Pen Ind Lkd Gilt Init	136.6	143.8		-
Overseas Equity Ord	314.7	331.3	-1.1	-
Overseas Equity Init	231.5	243.7	-0.8	-
Property Ord	279.7	294.4	+0.1	-
Property Init	205.7	216.5		-
Fixed Interest Ord	274.4	288.8	+0.5	-
Fixed Interest Init	201.8	212.4	+0.3	-
Deposit Ord	262.3	276.1		-
Deposit Init	193.0	203.2	+0.1	-

Prudential Assurance Co
Holborn Bars London EC1N 2NH 071-405 9222

	Bid Price	Offer Price	+ or -	Yield Gross
Prufund				
Managed Mar 11	254.0	264.6		-

Prudential Corporate Pension Funds
1 Stephen St, London W1P 2AP 071-548 3281

	Bid Price	Offer Price	+ or -	Yield Gross
Prudential Managed Funds				
Discretionary Mar 26	£180.40	185.94		-
Equity Mar 26	£202.38	209.30		-
International Mar 26	£28.22	28.61		-
Intl Bond Mar 26	£14.80	14.99		-
Fixed Int Mar 26	£99.03	100.16		-
Index Linked Mar 26	£70.98	71.87		-
Property Mar 26	£107.48	113.51		-
Cash Mar 26	£38.027	38.027		-

OFFSHORE AND OVERSEAS

BERMUDA (SIB RECOGNISED)

CANADA (SIB RECOGNISED)

GUERNSEY (SIB RECOGNISED)

MANAGEMENT SERVICES

GUERNSEY (REGULATED)(**)

IRELAND (SIB RECOGNISED)

IRELAND (REGULATED)(**)

ISLE OF MAN (SIB RECOGNISED)

OFFSHORE INSURANCES

For UK Life assurance see Century Life Plc

FT MANAGED FUNDS SERVICE

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ISLE OF MAN (REGULATED)(**)

JERSEY (SIB RECOGNISED)

JERSEY (REGULATED)(**)

LUXEMBOURG (SIB RECOGNISED)

LUXEMBOURG (REGULATED)(**)

SWITZERLAND (SIB RECOGNISED)

OTHER OFFSHORE FUNDS

	Bid Price	Offer Price	+ or -	Yield Gross
North American (3-1)	$11.95	12.56	-0.08	-
Overseas (1-1)	$13.29	13.96	-0.05	-
Tiger (3-1)	$11.43	12.01	+0.01	-

The Vietnam Fund Limited
Lloyds Bank Fund Managers (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
NAV Feb 28	$10.01		.....	-

Wardley Investment Services Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Wardley S.E. Asia Tst	$14.93	15.76	-0.10	0.88
Japanese Warrants	$3.70	3.93	-0.07	-
Asian Warrants	$11.30	11.97	-0.05	-
European Warrants	$4.54	4.81	+0.03	-
Managed	HK$10.72	11.34	+0.02	-
Private Capital Tst	$19.91		-0.09	-

Wellington Fd Mngrs (Bermuda) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Intnl Growth Fd	$13.18	13.85	-0.01	-

Wells Fargo U.S. IT Fund

	Bid Price	Offer Price	+ or -	Yield Gross
Wells Fargo A Shs (z)	$10.71			-
Wells Fargo B Shs (z)	$9.93		+0.04	-

Xiphias International Investment Fd Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Xiphias Int USD	$1.0983		.....	-
Xiphias Int ECU	Ecu1.0780		-	-

Yamaichi Capital Mngmt (Guernsey) Ltd

	Bid Price	Offer Price	+ or -	Yield Gross
Thai Inv Fund	$11.01		..	-

MANAGED FUNDS NOTES

Prices are in pence unless otherwise indicated and those designated $ with no prefix refer to U.S. dollars. Yields % allow for all buying expenses. Prices of certain older insurance linked plans subject to capital gains tax on sales. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. z Designated in Luxembourg as a UCITS (Undertakings for Collective Investment in Transferable Securities). x Offered price includes all expenses except agent's commission. ‡ Previous day's price. ¶ Guernsey gross. # Suspended. ◆ Yield before Jersey tax. † Ex-subdivision. ☆ Only available to charitable bodies. ◆ Yield column shows annualised rates of NAV increase, xd ex dividend.

(**) Funds not SIB recognised. The regulatory authorities for these funds are: Guernsey: Financial Services Commission; Ireland: Central Bank of Ireland; Isle of Man: Financial Supervision Commission; Jersey: Commercial Relations Department; Luxembourg: Institut Monétaire Luxembourgeois.

CURRENCIES, MONEY AND CAPITAL MARKETS

FOREIGN EXCHANGES

Good news fails to lift dollar

GOOD NEWS on the US economy failed to push the dollar through a DM1.6510 ceiling in London, yesterday, *writes Emma Tucker.*

Consumer confidence in the US in March rose to a rating of 54.0 from a revised 47.3 in February, the highest reading since October. Meanwhile the Chicago Purchasing Management index rose to a seasonally adjusted 51.1 per cent in March from 48 per cent in February.

However, both sets of data, along with a 0.8 per cent rise in February's leading indicator, were broadly in line with expectations and failed to excite the currency markets.

After spending most of the day at DM1.64, speculative buying along with the three pieces of good economic news pushed the dollar to a peak. But a big sale order coming out of New York knocked it back to close at DM1.6450, little changed from its DM1.6440 start.

In late Asian trading the dollar had eased slightly against the yen and the D-mark. A dealer at a Japanese bank in Hong Kong said the market had lacked a trend all day, with the closing movements amounting to minor adjustments ahead of Japan's new fiscal year that begins today.

The dollar closed in Tokyo at Y133.05 and DM1.6485.

In New York the dollar traded virtually unchanged, opening at DM1.6430/35 and Y133.10/20 compared with Monday's close of DM1.6455/65 and Y132.90/95.

The Italian lira came under light selling pressure amid political uncertainty. Like Britain, Italy is poised for a general election which takes place at the weekend. Investors will be looking for a commitment from the new government to reduce the country's big public sector deficit.

"If the prospect of a strong coalition seems in doubt, the pressure could pile on the lira in the coming weeks," said one economist.

Mr Peter Luxton, senior economist at Barclays said he believed there was pent-up demand for sterling and the lira and that talk of a sterling crisis after the election was overdone, particularly given the constraints of the ERM.

"Once the elections are out of the way, we expect to see both currencies bounce up," he said.

The lira weakened against the D-mark to L754.80/90 from L754.60/70 on Monday night.

Sterling drifted through another lacklustre session. With only nine days left until polling day the market still has no firm indication of who is going to win the election.

"People have postponed their investment decisions until the future shape of the government becomes clear and sterling's uneasy stability reflects this," said one UK bank trader.

The pound closed half a pfennig down at DM2.8550 from DM2.8600.

Despite political jitters in France, the French franc held a steady tone.

£ IN NEW YORK

Mar 31	Latest	Previous Close
£ Spot	1.7360-1.7370	1.7355-1.7365
1 month	1.00-0.98pm	0.90-0.88pm
3 months	2.75-2.72pm	2.72-2.69pm
12 months	9.35-9.25pm	9.33-9.23pm

Forward premiums and discounts apply to the US dollar

STERLING INDEX

	Mar 31	Previous
8.30 am	90.2	90.2
9.00 am	90.2	90.2
10.00 am	90.2	90.1
11.00 am	90.2	90.1
Noon	90.2	90.2
1.00 pm	90.2	90.2
2.00 pm	90.2	90.1
3.00 pm	90.2	90.1
4.00 pm	90.2	90.1

CURRENCY MOVEMENTS

Mar 31	Bank of England Index	Morgan** Guaranty Changes %
Sterling	90.2	-21.3
U.S. Dollar	64.9	-13.5
Canadian Dollar	101.0	-1.4
Austrian Schilling	110.3	+12.4
Belgian Franc	111.7	-1.8
Danish Krone	109.0	+3.1
D-Mark	118.7	+25.2
Swiss Franc	105.8	+13.8
Dutch Guilder	[illegible]	[illegible]

POUND SPOT - FORWARD AGAINST THE POUND

Mar 31	Day's spread	Close	One month	% p.a.	Three months	% p.a.
US	1.7350 - 1.7395	1.7350 - 1.7360	0.99-0.97cpm	6.78	2.74-2.71pm	6.28
Canada	2.0650 - 2.0720	2.0655 - 2.0665	0.60-0.56cpm	3.37	1.22-1.16pm	2.30
Netherlands	3.2100 - 3.2225	3.2100 - 3.2200	¼-¼cpm	0.70	⅞-⅝pm	0.93
Belgium	58.75 - 58.90	58.80 - 58.90	6-1cpm	0.71	16-11pm	0.92
Denmark	11.0750 - 11.1000	11.0750 - 11.0850	1-¼orepm	0.68	2⅛-1¼pm	0.61
Ireland	1.0700 - 1.0740	1.0700 - 1.0710	0.02-0.01cpm	0.17	0.05-0.02pm	0.13
Germany	2.8525 - 2.8600	2.8525 - 2.8575	¼-⅛pfpm	0.79	⅞-⅝pm	1.05
Portugal	245.30 - 246.60	245.30 - 246.30	100-115cdis	-5.25	263-224dis	-3.96
Spain	180.30 - 180.90	180.30 - 180.60	29-36cdis	-2.16	75-85dis	-1.77
Italy	2153.25 - 2158.00	2153.25 - 2154.25	2-4liredis	-1.67	7-9dis	-1.49
Norway	11.2100 - 11.2350	11.2100 - 11.2200	½orepm-par	0.27	1⅝-⅞pm	0.40
France	9.6750 - 9.6950	9.6750 - 9.6850	½-¼cpm	0.46	1¼-⅞pm	0.44
Sweden	10.3625 - 10.3850	10.3725 - 10.3825	½-⅞oredis	-0.79	1¼-2¼dis	-0.67
Japan	230.50 - 231.50	230.50 - 231.50	1⅛-1ypm	5.52	3⅝-3¼pm	5.74
Austria	20.03 - 20.13	20.03 - 20.06	2-⅞gropm	0.86	6½-4½pm	1.09
Switzerland	2.6000 - 2.6125	2.6000 - 2.6100	⅜-¼cpm	1.15	1⅛-1pm	1.63
Ecu	1.3975 - 1.4000	1.3980 - 1.3990	0.10-0.04cpm	0.60	0.22-0.12pm	0.49

Commercial rates taken towards the end of London trading. Six-month forward dollar 5.33-5.28pm 12 Month 9.36-9.26pm

EMS EUROPEAN CURRENCY UNIT RATES

DOLLAR SPOT - FORWARD AGAINST THE DOLLAR

EURO-CURRENCY INTEREST RATES

EXCHANGE CROSS RATES

Mar.31	£	$	DM	Yen	F Fr.	S Fr.	N Fl.	Lira	C$	B Fr.	Ecu
£	1	1.735	2.855	231.0	9.680	2.605	3.215	2154	2.066	58.85	1.398
$	0.576	1	1.646	133.1	5.579	1.501	1.853	1241	1.191	33.92	0.806
DM	0.350	0.608	1	80.91	3.391	0.912	1.126	754.5	0.724	20.61	0.490
YEN	4.329	7.511	12.36	1000.	41.90	11.28	13.92	9325	8.944	254.8	6.052
F Fr.	1.033	1.792	2.949	238.6	10.	2.691	3.321	2225	2.134	60.80	1.444
S Fr.	0.384	0.666	1.096	88.68	3.716	1	1.234	826.9	0.793	22.59	0.537
N Fl.	0.311	0.540	0.888	71.85	3.011	0.810	1	670.0	0.643	18.30	0.435
Lira	0.464	0.805	1.325	107.2	4.494	1.209	1.493	1000.	0.959	27.32	0.649
C$	0.484	0.840	1.382	111.8	4.685	1.261	1.556	1043	1	28.48	0.677
B Fr.	1.699	2.948	4.851	392.5	16.45	4.427	5.463	3660	3.511	100	2.376
Ecu	0.715	1.241	2.042	165.2	6.924	1.863	2.300	1541	1.478	42.10	1

Yen per 1,000: French Fr. per 10: Lira per 1,000: Belgian Fr. per 100.

CURRENCY RATES

OTHER CURRENCIES

FINANCIAL FUTURES AND OPTIONS

LONDON (LIFFE)

CHICAGO

PARIS

BASE LENDING RATES

	%		%		%
Adam & Company	10.5	Credit Lyonnais	10.5	McDonnell Douglas Bank	10.5
Allied Trust Bank	10.5	Cyprus Popular Bk	10.5	Midland Bank	10.5
AIB Bank	10.5	Dunbar Bank PLC	10.5	Mount Banking	10.5
● Henry Ansbacher	10.5	Duncan Lawrie	10.5	NatWestminster	10.5
B & C Merchant Bank	10.5	Equatorial Bank plc	10.5	Northern Bank Ltd	10.5
Bank of Baroda	10.5	Exeter Bank Limited	11	Nykredit Mortgage Bank	11
Banco Bilbao Vizcaya	10.5	Financial & Gen. Bank	11	Provincial Bank PLC	14
Bank of Cyprus	10.5	First National Bank Plc	14	Roxburghe Bank Ltd	11.5
Bank of Ireland	10.5	● Robert Fleming & Co	10.5	Royal Bk of Scotland	10.5
Bank of India	10.5	Robert Fraser & Ptnrs	11	● Smith & Williamson Secs	10.5
Bank of Scotland	10.5	Girobank	10.5	Standard Chartered	10.5
Banque Belge Ltd	10.5	● Guinness Mahon	10.5	TSB	10.5
Barclays Bank	10.5	● Hambros Bank	10.5	Unibank plc	10.5
Benchmark Bank	11	Hampshire Trust Plc	13.5	● United Bk of Kuwait	10.5
Brit Bk of Mid East	10.5	Heritable & Gen Inv Bnk	10.5	Unity Trust Bank Plc	10.5
● Brown Shipley	10.5	● Hill Samuel	10.5	Western Trust	10.5
CL Bank Nederland	10.5	C. Hoare & Co	10.5	Westpac Bank Corp	10.5
Citibank NA	10.5	Hongkong & Shanghai	10.5	Whiteaway Laidlaw	10.5
City Merchants Bank	10.5	Julian Hodge Bank	10.5	Yorkshire Bank	10.5
Clydesdale Bank	10.5	● Leopold Joseph & Sons	10.5		
Co-operative Bank	10.5	Lloyds Bank	10.5		
Coutts & Co	10.5	Meghraj Bank Ltd	10.5		

● Members of British Merchant Banking & Securities Houses Association.

MONEY MARKETS

Rates still stable

THE UK money market was in a lacklustre mood again yesterday as one opinion poll showing a Labour surge in the marginal Birmingham, Northfield constituency caused only a flicker of interest.

"It's given the market a bit of a fright, but otherwise it has been a very quiet day," said Mr David Coleman of the Canadian Imperial Bank of Commerce.

The survey, conducted for the Birmingham Evening Mail, showed a 14 per cent swing to the Labour Party.

UK clearing bank base lending rate 10.5 per cent from September 4, 1991

In spite of the poll, dealers continued to fret over the prospect of a hung parliament. Although sterling remains at the bottom of the ERM grid, some comfort was being drawn from the currency's continuing stability. Analysts said this reflected growing confidence in the market that the pound would not be realigned within the EMS, whichever party won the election.

At the short end rates remained soft with the key three-month interbank rate moving fractionally from 10$\frac{11}{16}$-¾ to close at 10⅝-$\frac{11}{16}$. At the longer end, the one year rate stayed locked in at 11⅛-11.

The June sterling contract opened up two basis points at 89.08 but drifted down during the day to 89.03.

The Bank of England forecast an initial shortage of around £350m but later revised it to around £500m. It did not operate in the market in the morning but bought bills totalling £210m in the afternoon, including £185m of band 1 bank bills and £25m of band 2 bank bills at 10⅜ per cent. The Bank provided late unspecified assistance of around £280m so that by the close it had more or less taken out the shortage with total help of £490m.

The overnight rate dipped to 9 per cent during the day but finished at around 10 per cent.

German call money was steady to firmer on the last trading day of March. Banks quoted rates of between 9.60 and 9.75 per cent, after 9.60/70 on Monday. Traders said the Bundesbank would keep call money around 9.50/60 as April began.

The Federal Reserve refrained from reserve management operations yesterday. Funds traded at four per cent, the Federal Reserve's presumed target, at the usual operations time. Economists had anticipated little chance of a reserve addition.

FT LONDON INTERBANK FIXING

(11.00 a.m. Mar 31) 3 months US dollars	
bid 4¼	offer 4⅜

The fixing rates are the arithmetic means rounded to the nearest one-sixteenth, of the bid and offered rates for $10m quoted to the market by five reference banks at 11.00 a.m. each working day. The banks are National Westminster Bank, Bank of Tokyo, Deutsche Bank, Banque National de Paris and Morgan Guaranty Trust.

MONEY RATES

NEW YORK

Lunchtime

Prime rate	6½
Broker loan rate	6
Fed. funds	4

LONDON MONEY RATES

MONEY MARKET FUNDS

Money Market Trust Funds

Money Market Bank Accounts

JOTTER PAD

CROSSWORD

No.7,813 Set by HIGHLANDER

ACROSS

1 Lady of the Spanish Main – and not in it (6)
4 He offers a match to professional model (8)
9 The style of the Barbarians? (6)
10 Bird with a big attraction to heather (8)
12 Bearing cost of delivery (8)
13 Brook, quiet to start with, becomes penetratingly noisy (6)
15 What a skiver needs is something to do inside (4)
16 See code is changed by first engineer (7)
20 With hair pulled back, appears sweet (7)
21 Mean to involve one or two (4)
25 Attempt to put one pound in the hat (6)
26 Dealer incorporates French sea-song (8)
28 Over extended period Hilary, for one, pursues desire strongly (4-4)
29 Put favourite dress on (6)
30 May put off going round with drinks container (8)
31 Graduation results in one part of scale (6)

DOWN

1 Long-running story covering financial centre's foresight (8)
2 North American traveller loses nothing: he enjoys going without clothes (8)
3 Bring up in speech measure for fruit (6)
5 Service reported as in accordance with standards (4)
6 Firm hold what's been bought (8)
7 Go down the slope on mine – it doesn't matter (4,2)
8 Drink's going up: take the point and supply in abundance (6)
11 Not for a second time, by the way (7)
14 Mark allowed for clarets changing colour (7)
17 Part of speech on their eastern neighbours initially forbidden in Germany (8)
18 Supercilious supporter of onetime king (8)
19 False claim Peter fabricated against northern Church (8)
22 Without showing much interest, many turn to 1d (6)
23 A piece of cake for alfresco meal (6)
24 At start of play, over without boundaries is vital (6)
27 Time to regret being faithful (4)

Solution to Puzzle No.7,812

GRADIENT UTOPIA
LAYABOUT SEVERS
ELOPE REARRANGE
PENCIL TREACLE
RETINUE PASSION
FORTUNATE TASTE
INCITE MACARONI
IMPART OLEANDER

WORLD STOCK MARKETS

AUSTRIA

March 31	Sch	+ or −
Austrian Airlines	2,660	+5
Creditanstalt Pf	537	−2
EA General	3,640	+10
EVN	641	+3
Jungbunzlauer	12,600	+90
OeMV	988	−1
Perlmooser Zement	1,620	+10
Radex Heraklith	577	−3
Reininghaus Brue	1,651	−9
Steyr Daimler	255	−1
Veitscher Magnesit	373	−2
Verbund (Br) A	539	+5
Wienerberger	4,835	+20
Z-Laenderbank	1,050	−10

BELGIUM/LUXEMBOURG

March 31	Frs.	+ or −
ACEC-Union Min	2,340	−20
AG Group	2,010	....
Arbed	4,170	−20
BBL	3,360	+10
Bank Intl a Lux	11,931	−19
Banq Gen Lux Pts	12,126	+26
Barco	1,198	−8
Bekaert	12,050	−100
CBR Ciment	8,350	....
Cobepa	5,050	−20
Cobepa AFV 1	4,975	....
Cockerill Priv	153	−2
Colruyt	4,580	+30
Delhaize Frs Lion	9,440	+60
Electrabel	4,900	....
Electrabel AFV	4,840	−10
Electrafina ACT	2,535	−15
GBL	3,210	−25
GBL AFV 1	3,180	....
GIB Group	1,332	−8
GIB Group AFV	1,282	+2
Gechem	365	−7
Gechem AFV	375	....
Generale Banque	6,520	−20
Gen Banque AFV1	6,550	+130
Gevaert	6,990	+30
Kredietbank	4,765	−20
Kredietbk AFV	4,755	−5
Pan Holding Lux	13,700	....
Petrofina	10,550	+25
Powerfin	2,440	....
Powerfin AFV	2,405	−5
Royale Belge	4,210	+100
Royale Belge AFV 1	4,000	+30
Soc Gen Belge	2,120	+5
Soc Gen Belge AFV	1,975	....
Sofina	11,600	+200
Solvay	12,075	+50
Tessenderlo	5,840	−50
Tessenderlo AFV	5,490	−160
Tractebel	7,960	+20
Tractebel AFV 1	7,700	+30
UCB	20,875	+200
UCB AFV	20,000	....

DENMARK

March 31	Kr	+ or −
Baltica Holding Reg	606.51	+6.51
Bikuben	287	−1
Carlsberg A	290.40	−7.60
D/S 1912 A	91,000	−500
Danisco	795	+5
Den Danske Bank	299	−1
East Asiatic	142	−4
FLS Ind B	610	....
Great Nordic	310	+3.33
Hafnia Hldgs A	300	−81
Hafnia Hldgs B	255	−15
ISS Intl Serv B	947.50	+7.50
Jyske Bank Reg	315	....
Lauritzen (J) B	1,854.62	+14.62
NKT A/S	300	....
Novo Nord B	525	....
Sophus Berend B	1,760	+10
Superfos	5,185	−65
TopDanmark	920	....
Unidanmark A	209	−1.25

FINLAND

March 31	Mka	+ or −
Amer	67	+1
Cultor	63	+1.50
Enso R	16.60	....
Huhtamaki I Free	110	+3
KOP	14	−1
Kone B Free	420	....
Kymmene	72	+1
Metra B Free	64	+1.50
Nokia Pref Free	62	+0.90
Pohjola B Free	65	....
Repola (Free)	39.50	....
Stockmann B	136	+1
Tampella Free	14	....
Unitas Bk C Free	14.10	+0.10

FRANCE

March 31	Frs.	+ or −
AGF	500	−2
Accor	780	−7
Air Liquide	761	+5
Alcatel Alsthom	605	+2
Auxil Entrepr	1,026	+15
Axa	935	+4
BIC	685	+5
BSN	1,126	+17
BNP Cert Inv	378.10	−1.40
Bancaire Cie	476.50xd	−4.50
Beghin-Say	612	....
Beghin-Say Cert Inv	480	+10

FRANCE (continued)

March 31	Frs.	+ or −
Bongrain	2,891	+1
Bouygues	613	−2
CGIP	1,235	+14
C M B Packaging	188	+1
Canal+	1,110	+2
Cap Gemini S	321.50	+1
Carrefour	2,650	+20
Casino	169.20	+2.20
Cetelem	828xd	+8
Chargeurs	1,171	+2
Club Mediterranee	546	....
Cogifi	340	−8
Coparex	605	....
C C F	187	−2.50
Cr Fonc France	964	−5
Cred Lyon (CI)	583	−2
Credit Nationale	1,123	+11
Damart	2,950	−50
Docks de France	420	+4
Dollfus Mieg Cie	310	+7
EBF	900	+5
Eaux Cie Genl	2,282	−33
Ecco	422.50	+2.50
Elf-Aquitaine	357	−3.50
Elf-Aquitaine Certs	250	....
Essilor Int	995	+3
Etex	1,874	−1
Eurafrance	1,632	−18
Eurocom	620	....
Euro Disney	148.70	+0.80
Evor	1,463	+9
Finextel	120	−1
Fonc Lyonnaise	660	....
From C et Anv	2,995	+15
GTM-Entrepose	369	+4
Gal. Lafayette	1,873	+3
Gaumont (Soc N)	604	−11
Geophysique	649	+2
Hachette	150	−8.30
Havas	492.30	−4.30
Imetal	322	+2
Imm de France	855	−1
Immobanque	675	+7
Immob Phenix	146	+0.80
Industrielle	6,520	+10
Interbail	449	−1
Intertechnique	820	....
LVMH	4,425	+8
Lafarge Coppee	363	+2
L'Oreal	805	+2
Legrand	4,250	....
Legris	445	+4
Lyon Eaux Dumez	510	−1
Matra	174	+2
Merlin-Gerin	537	+4
Michelin B	167.20	−0.60
Moulinex	184.50	+4.50
Navigation Mixte	1,169	−11
Nord Est	116.10	−0.90
Orsan	256.20	+0.90
Paribas	394.10	−0.80
Paris Reescompte	269.50	−3
Pernod Ricard	1,552	−3
Perrier	1,700	....
Peugeot	725	−2
Pinault	289	+1
Poliet	565	−4
Printemps (Au)	755	....
Promodes	3,450	−29
Radiotechn	634	+14
Redoute	5,480	−10
Rhone Poulenc Cts	593	+6
Roussel-Uclaf	2,200	....
SILIC	590	+4
Sagem	1,764	−5
Saint Gobain	555	−7
Saint Louis	1,276	−14
Sanofi	1,160	−1
Schneider	667	−4
Seb SA	2,164	+38
Sefimeg	440.10	−1.70
Simco	450	+4
Skis Rossignol	790	+5
Soc Generale de Fr	530	+7
Sommer-Allibert	1,359	+34
Spie Batignolles	365	−6
Suez (Fin de)	324.30	−1.40
Taittinger	3,075	+86
Thomson C S F	161.20	+0.70
Total B	234.80	−0.70
UAP	549	−2
UFB Locabail	301	−3
Uniball	545	+4
Union Immob Fr	480	+14.90
Valeo	745	+7
Vallourec	260	+3.50
Worms Cie	360	+3

GERMANY

March 31	Dm.	+ or −
AEG	216	+1.40
AG Ind & Verk	736	+9
Aachen Mch (Reg)	878	+6
Allianz AG	2,154	....
Altana Ind	682	+2
Asko	886	+20
Asko Prf	690	+15
BASF	244	+1.40
Badenwerk	266.50	+0.50
Bayer	296.50	+0.70
Bayer-Hypo	406.50	+1
BMW (Br)	574.50	+1.50
Bayer Vereinsbk	413	−1.50
Beiersdorf	790	+5
Berliner Bank	259	....
Berliner Kraft	124	+3
BHF Bank	432	+2
Bilfing Berg	1,069.90	+10.90
Colonia Konzn	1,050	+5
Colonia Konzern Pf	610	+3
Commerzbank	255.30	....
Continental AG	248.20	+2.70

GERMANY (continued)

March 31	Dm.	+ or −
DLW	555	+1.50
Daimler-Benz	758	+2.20
Deckel (Fr)	139.50	+3.50
Degussa	337.50	+3.50
Deutsche Babcock	173.80	−0.70
Deutsche Bank	713	+2
Didier-Werke	156.50	+3.50
Douglas Hldg	694	+11
Dragerwerk	304	−6
Dresdner Bk	349.80	+0.30
Fag Kugelfischer	259	+8.50
Gerresheimer	373	+10.50
Goldschmidt (TH)	885	....
Hamburg Elekt	192	−2
Hapag Lloyd	535	+7
Heidelb Zem	960	+7
Henkel Prf	626.50	+2.70
Herlitz	379	+1.20
Hochtief	1,290	+15
Hoechst	260.90	+1.40
Hoesch	255.80	−0.70
Holzmann Ph	1,174	+6
Horten	181	−5
IKB Deutsche Ind	267.50	+1.50
Industrie Werke	331.50	+9
Kali & Salz	139	+2.80
Karstadt	648.60	−6.40
Kaufhof	517	+5.50
KHD	145.70	+0.70
Klockner Werke	117.80	+2.80
Lahmeyer	815	+15
Leifheit	525	−5
Linde	827	+11
Linotype-Hell	381	+1
Lufthansa	150.30	+0.50
Lufthansa n/v Prf	113.80	−0.20
MAN	376.50	+4
MAN Pref	299	+4
Mannesmann	280	+3.70
Mannheim Vers	772	+17
Mercedes Hld	579	+1.50
Metallgesellschaft	422.50	−0.30
Muench Rueck (Reg)	2,700	+70
PWA	224	....
Philips Kommun	570	+2
Porsche	552	....
Preussag	383.40	+4.70
Rheinelektra	1,355	−8
Rheinmetall Berlin	288	....
Rheinmetall Prf	224	+1
Rhein West El	393.50	+2.30
Rhein West El Prf	323.50	+1.80
Rosenthal	299	+4
Schering	811.50	−2.50
Schmalbach Lubeca	550	+5
Siemens	673	+2.10
Springer Axel Rg	490	....
Sud Chemie	550	....
Thyssen	220.90xd	+3.10
Varta	320.50	+2.50
Veba	384.50	+3.20
VEW	212.70	−0.30
Verein-West	331	....
Viag	383.80	+2
Volkswagen	363.80	+7.80
Volkswagen Prf	314.50	+9
Wella Prf	614.50	+1.50
Zanders Feinpap	205	....

ITALY

March 31	Lire	+ or −
Banca Comm	3,550	+15
Banca Naz Agric	5,205	+195
Banco Lariano	4,495	+34
Bastogi-I R B S	147	+8
Benetton	13,399	+159
Burgo (Cartiere)	7,231	−19
CIR	1,660	+80
Caffaro Spa	644	+0.25
Cementir	2,165	+4
Cigahotel	1,675	+15
Cofide Fin	2,070	+60
Credito Italiano	1,940	+30
Danieli & C	7,180	−20
EniChem	1,205	−15
Eridania	6,715	+35
Ferruzzi Fin	1,646	+20
Fiat Priv	3,205	+27
Fiat	4,800	+80
Fidis	4,440	+12
Fondiaria	31,300	+200
Gemina	1,171	+8
Generali Assicur	28,890	+465
Gilardini	2,641	+13
IFI Priv	12,380	+125
Italcable	5,300	+14
Italcementi	17,950	+150
Italgas	3,422	+28
Lloyd Adriatico	11,770	+140
Magneti Marelli	670	+15
Mediobanca	13,585	+195
Montedison	1,336	+2
Olivetti	2,825	+65
Pirelli & Co	4,220	....
Pirelli Spa	1,258	+6
RAS	19,500	+545
Rinascente (La)	6,560	+73
SASIB	6,700	....
SIP	1,456	+56
Saffa A	6,800	−70
Saipem	1,561	+6
Sirti Spa	10,410	+31
SMI	797	−2
Snia BPD	1,117	−3
STET	2,175	+66
Toro Assicur	19,610	+260
Tosi Franco	23,600	....
Unicem	9,600	+10

NETHERLANDS

March 31	Fls.	+ or −
A B N Amro Holding	45.20	−0.30
ACF Hld Dep Recs	31.40	−0.30
AEGON	128.50	−1.60
Ahold	85.50	−0.40
AKZO	151.40	+0.50
AMEV Dep Recs	55	−0.20
Bols Lucas Dep Recs	46.80	−0.30
Borsumij W Ct DpRcs	65.50	+0.50
BuehrmannT Ct DpRcs	45.70	−0.30
CSM Dep Recs	96.20	+0.20
DAF	21.30	+0.10
DSM	107	+0.50
Dordtsche Petr	131.60	−0.10
Elsevier Dep Recs	112.30	+1
Fokker Dep Recs	33.60	−0.40
Gamma	104	+1.40
Gist Broc Dep Recs	35.60	....
Heineken	188.60	−0.10
Hollnd Beton	213.50	−1.50
Hoogovens Dep Recs	50.60	....
Hunter Douglas	69	−0.50
IHC Caland	59	−0.20
Int Nedlloyd Dep Recs	52.20	....
Intl Mueller	60.80	−0.20
KLM	35.90	−0.20
KNP	43.50	+0.10
Koln Pakhoed DpRcs	45.80	−0.10
Kempen	9.40	−0.10
Nedlloyd	59.60	+0.30
Nijverd-Ten Cate	108.20	+0.20
Nutr Ver Bed Dp Rcs	161.50	+0.50
Oce V Grint	79.20	+0.30
Ommeren (Van) Dp Rcs	43	+0.50
Philips	36.40	+0.10
PolyGram	45.80	+0.60
Robeco	97.70	....
Rodamco	50.80	....
Rolinco	96	−0.10
Rorento	71.40	....
Royal Dutch	141.20	−0.80
Unilever Dep Recs	181.90	−0.70
VNU	81.60	−0.40
VMF Stork	44	−0.20
Wessanen Dep Recs	91.50	+2.80
Wolters Kl Dep Recs	71	+0.90

NORWAY

March 31	Kroner	+ or −
Aker A Free	65	+2
Bergesen A	107	+2.50
Den norsk Bk Free	15.50	....
Dyno Ind	112	+2
Elkem Free	75	+3.50
Hafslund Nyc A Free	272	+4
Kvaerner Free	217	+3
Leif Hoegh	66	+1
Norsk Data A	3	−0.50
Norsk Hydro	155.50	+3.50
Norske Skog A Free	107	+5.50
Orkla Free	180	+5
Saga Pet A Free	87	....
Saga Pet B Free	86	−1
Skaugen (I M)	3.20	+0.25
Storli B	97	−3
UNIStorebrand Free	60	+3
Unitor	95	....
Vard	80	+1.50

SPAIN

March 31	Pts.	+ or −
Alba (Corp Fin)	5,220	−70
Aragonesas	1,120	−30
Asland	2,040	−50
Banco Bilbao Viz	2,855	....
Banco Cntral Hisp	3,835	−10
Banco Exterior	3,515	+20
Banco Popular	11,300	−30
Banco Santander	4,570	−25
Banesto	2,870	−20
CEPSA	2,390	−5
Carburos Metal	3,320	−5
Dragados	2,050	−30
Ebro Agricolas	2,030	−20
Electra Viesgo	2,295	−5
Endesa (Br)	3,405	−5
Ercros	273	−23
Fecsa	730	−5
Grupo Duro Felg	1,150	....
Hidroel Cantabr	2,030	+5
Iberdrola	742	−3
Koipe	4,085	+10
Mapfre	4,165	−45
Metrovacesa	4,280	−20
Portland Vald	11,430	−310
Repsol	2,890	+15
SNIACE	82	−9
Sarrio	815	−6
Sevillana Elec	574	+18
Tabacalera A	6,860	+60
Telefonica	1,140	−10
Tudor	840	+20
Union Fenosa	593	−7
Union y el Fenix	4,460	−40
Uralita	1,180	−10
Urbis Ser 2	938	+3
Vallehermoso	2,230	....

SWEDEN

March 31	Kroner.	+ or −
AGA B Free	316	−1
Asea B Free	353	−1
Astra A Free	587	....
Astra B Free	558	+2
Atlas Copco B	303	+2
Electrolux B Free	264	−2
Ericsson B Free	132	−1
Esselte B Free	155	....
Gambro B Free	257	−3

SWEDEN (continued)

March 31	Kroner.	+ or −
Incentive B Free	176	−2
Mo Och Dom B Free	243	+3
Nobel Free	20.50	+0.50
Procordia B Free	193	−2
Sandvikan B Free	408	
Skandia Free	139	−1
Skan Enskilda C	47.50	
SKF B Free	111	
Stora Kopp B	288	....
SCA B Free	112	+1
Svka Handl B Free	79	−1
Trelleborg B Free	128	−1
Volvo B Free	418	+1

SWITZERLAND

March 31	Frs.	+ or −
Adia Intl (Br)	414	−6
Adia Ptg Cts	72	....
Alusuisse Lonza	924	+2
Alusuisse Ptg Cts	91	−0.50
Baloise Ptg	1,820	....
Brown Boveri (Br)	3,840	−30
Brown Boveri Ptg	742	−4
CS Hldgs (Br)	1,935	−5
Ciba Geigy (Br)	3,490	+50
Ciba Geigy (Reg)	3,490	+20
Ciba Geigy (Pt Cts)	3,360	....
Elektrowatt	2,540	+10
Elvia	1,660	+15
Fischer (Geo)	1,005	−5
Fischer Ptg	195	−2
Forbo	2,110	−80
Holderbk (Br)	4,750	+100
Holzstoff (Br)	5,400	....
Jelmoli	1,340	−30
Jelmoli Ptg Cts	275	+5
Landis & Gyr	1,040	+30
Landis & G Prior Ptg	80	−1
Leu Hold (Br)	1,680	−40
Leu Hold Ptg	317	−3
Mag Globus Ptg	750	+40
Mikron (Reg)	305	
Motor-Columbus	1,050	....
Nestle	9,490	−30
Nestle (Reg)	9,470	+10
Oer-Buehrle (Br)	413	−5
Pargesa Hld	1,250	−20
Pirelli	237	....
Richemont A (Br)	15,050	+50
Roche (Br)	4,350	−30
Roche (Genuss)	3,090	....
SMH (Reg)	908	+5
Sandoz Br	2,530	−30
Sandoz Pt.Cts.	2,480	−30
Sandoz Reg	2,550	−30
Schindler (Br)	3,700	....
Schindler (Pt Cts)	720	−4
Sika Reg A	760	....
Surveillance (Br)	7,410	−20
Swissair	738	−2
Swiss Bank (Br)	292	−1
Swiss Bank Ptg	261	−1
Swiss Reinsurance	2,610	−20
Swiss Reins Ptg	512	+4
Swiss Volksbk	940xd	−10
Union Bank Br	3,720	....
Winterthur	3,490	−30
Winterthur Ptg	647	+6
Zurich Ins	4,170	....
Zurich Ins Ptg	2,000	+30

SOUTH AFRICA

March 31	Rand	+ or −
ABSA	10.05	−0.05
AECI	9.60xd	....
Allied Tech	115	....
Anglo Am Coal	126	−1
Anglo Am Corp	119.75	−0.25
Anglo Am Gold	207	−3
Anglovaal N	76xd	−0.50
Barlow Rand	58.25	....
Buffels	24	....
CNA Gallo	27.50	....
De Beers/Centenary	83.85xd	−0.50
Deelkraal Gold	6.10	−0.10
Driefontein	39.50	−0.25
East Rand Gold	5.15	....
Elandsrand Gold	20	....
First Nat Bank	60	+0.25
Free State Cons Gold	28.75	−0.50
Gencor	11	....
Gold Fields SA	70	....
Hartebeest	13.75	−0.25
Highveld Steel	14	....
ISCOR	1.64	....
Kinross Gold	37	....
Kloof Gold	29.25	−0.25
Libanon Gold	1.90	−0.20
Liberty Life SA	41.25	....
Malhold	34.75	....
Nedcor	18.75	−0.25
O K Bazaars	9.75	−0.25
Palabora Mng	70	....
Premier Gp	41	−0.50
Rembrandt Grp	28.75	+0.50
Rembrandt Cntrl	20.50	+0.50
Rust Plat	72	+0.25
Safmarine & Rennie	98	....
Sage Hlds	9	+0.25
Smith (CG) Ltd	119.50	....
SA Brewers	56.50	+0.75
SA Man Amcor	29.75	....
Tiger Oats	41.50	+0.25
Tongaat Hulett	24.50	....
Vaal Reefs	196	−4
Western Deep	96.50	+1

JAPAN

March 31	Yen	+ or −
Ajinomoto	1,340xd	....
Akebono Brake Ind	586xd	....
All Nippon Airways	991xd	−69
Alps Electric	932xd	+12
Amada Co	1,020xd	−40
Amano Corp	1,980xd	....
Ando Construction	805xd	....
Anritsu	895xd	−12
Aoki Corp	620xd	+14
Arabian Oil Co Ltd	5,050	−30
Asahi Breweries	1,210	−40
Asahi Chemical	628xd	−2

March 31	Yen	+ or −
Japan Radio	2,160	+20
Japan Steel Works	491xd	−1
Japan Storage Batt	1,010xd	−40
Japan Syn Rubber	545xd	+3
Japan Wool	1,280	−30
Jujo Paper	574xd	+5
Jusco	1,580	....
Kagome	1,020xd	....
Kajima	1,160xd	−30
Kaken Pharm	1,180xd	−20
Kandenko	2,510	−20

March 31	Yen	+ or −
Niigata Eng	571xd	−11
Nikko Sec	640xd	−18
Nikon Corp	689xd	+7
Nintendo	9,600xd	+40
Nippon Credit Bank	8,200xd	−30
Nippon Denko	497	+1
Nippon Denso	1,360	+20
Nippon El Glass	1,480xd	−50
Nippon Express	621xd	−30
Nippon Fire	620xd	+15
Nippon Flour Mills	743xd	−21
Nippon Hodo	2,750xd	−20

March 31	Yen	+ or −
Taiyo Fishery	349	+7
Takaoka Electric	745xd	....
Takara Shuzo	695xd	+15
Takashimaya	1,400	−20
Takeda Chem	1,090xd	+20
Tanabe Seiyaku	985xd	−75
Teijin	459xd	−1
Teikoku Oil	685	−15
Tekken Corp	971xd	−39
Toa Gosei Chem Ind	872xd	−3
Tobishima Corp	627	−41
Tobu Railway	708xd	−1

AUSTRALIA (continued)

March 31	Aust$	+ or −
Metal Manuf	2.25	....
Minproc	0.23	....
Nat Aust Bank	7.36	−0.04
Newcrest Mining	0.80xd	....
News Corp	17.66	+0.12
Nmody Poseidon	1.08	−0.02
North BH Peko	2.42	+0.06
Pacific Dunlop	5.05	+0.05
Pancontinental	0.96	−0.04
Pasminco	1.23	+0.02
Pioneer Intl	3	+0.06
Placer Pacific	2.85	+0.09

CANADA

TORONTO

2:00 pm prices March 31

Quotations in cents unless marked $

Sales	Stock	High	Low	Close	Chng
1800	Abitibi Pr	$15¾	15⅛	15¾	+½
4000	AgnicoEa x	475	470	475	+5
7000	Air Cda	$6½	6⅛	6⅛	
4100	Alberta En	$10⅜	10⅝	10⅝	−⅛
500	AlbNtGas	$14	14	14	
74000	Alcan Al	$23⅛	22⅞	23	+⅛
60100	Am Barr	$29¾	29⅝	29⅝	+⅛
1800	Atco Cl I	$12	11⅝	12	+½
300700	Bk Montr'l	$42½	42½	42¾	
520800	Bk Nova Sc x	$20⅝	20	20½	+⅜
12200	BC Sugar A	$9¼	d9½	9½	−⅛
602800	BCE Inc	$46⅝	46⅛	46¼	
8000	Belmoral	14	14	14	
4600	BGR A	$7⅜	d7⅛	7¼	
34800	Bomb'dierB	$16½	16⅛	16⅜	
5500	Bow Valley	$10⅞	10⅛	10⅛	−⅛
10200	BP Canada	$11⅞	11⅝	11⅝	+⅛
38000	Bramalea	380	380	385	−5
749000	Brascan A	$17⅜	17⅛	17¼	−⅛
205900	Breakwater	67	61	65	−2
33800	BC Tel	$21¾	21¼	21⅜	−⅜
4600	Bruncor	$19⅛	19	19⅛	+⅛
11800	Brunswick	$7¼	7⅛	7⅛	−⅛
159700	CAE Ind	$6¼	d6	6	−⅛
19400	Cambior	$7⅝	7⅜	7½	+⅛
5900	Cambridge x	$19	18⅞	18⅞	
32800	Cameco x	$17½	17½	17½	
10700	C'bell Res	50	48	50	
282500	CanImpBk x	$29⅝	29¼	29⅝	+¼
7800	Can Occid	$24¼	24⅛	24⅛	−⅛
127100	Can Pac x	$16¾	d16½	16⅝	
100	Can Tire	$22	22	21½	
38500	CanTire A	$18½	18⅛	18⅛	−⅛
23800	Can Util A	$19½	19⅜	19⅜	
700	Can Util B	$19⅝	19⅝	19⅝	
1000	Canamax	34	d34	34	
18700	Canfor	$27⅞	27¼	27⅞	+⅛
6200	CnPcForest	$26	26¼	26	+1
8100	Cara Op	$5⅝	5½	5½	
1300	Cascades	$7⅝	7½	7⅝	+⅛
2000	Celanese x	$45⅜	45⅛	45⅛	−⅜
400	Cntrl Cap	27	27	27	
40600	Cineplx Odn	405	380	405	+30
400	Cntrl Fd A	450	450	450	
20300	Cominco	$20	19⅝	19⅞	+⅛
1000	Coputalog	70	70	67	
54500	Corel Sys	$20¼	19⅞	20	+⅛
1200	CoscanDev	$7½	d7⅛	7½	
39400	CrownX A	140	137	137	−5
400	Denison A	27	27	27	+2
45900	Derlan	$6⅛	6	6⅛	+⅛
31900	Dofasco x	$16⅛	d16⅛	16¼	−⅛
3400	Domnn Txt	$9	8¾	9	+¼
84700	Domtar Inc	$6⅝	6⅜	6½	
3500	Du Pont A x	$47	46¾	47	+¼
1600	DundeeBncA	280	265	265	−15
18500	Echo Bay M	$8	d7¾	7¾	
1600	Emco Ltd	$7	6¾	7	
7400	Empire	$12¾	12⅝	12¾	+⅛
11400	Euro Nev	$15½	15¼	15½	+¼
5500	FPI Ltd	460	d440	445	−15
1400	Fahnstkvnr	$11	10¾	10⅞	+⅜
600	Finning	$13	12½	13	+¼
5400	Fst Mara x	$12⅛	12	12	
1400	Fortis	$22	22	22	
6200	Four Seasn	$20⅝	20¼	20½	−¼
1200	FrancoNev	$24⅜	24¼	24¼	−½
15000	Galactic	23	21	21	−2
500	Gendis A	$20⅞	20⅞	20⅞	
12200	Glamis Gld	360	340	360	+15
1200	Granges	105	105	105	
1900	GW Lifeco	$14⅞	14⅝	14⅝	
224400	Gulf Cda R	u$6½	6	6½	+½
2800	GW Utils	$12½	12⅛	12½	−¼
6000	HarrisSt A	u$7¾	7½	7¾	
600	Hawker Sid	$24⅛	24½	24½	
153300	Hees Intl	$15½	15¼	15⅜	−⅛
100900	Hemlo Gold	$8⅝	8⅜	8⅝	+⅛
900	Hollinger	$12	11¾	12	+¼
4000	Home Oil	$14¾	14½	14¾	+¼
25000	Horsham	$9⅜	d9½	9⅜	+¼
400	HudsBayM&S	$6½	6½	6⅛	
5000	HudsonsBay	$31⅝	31	31	−⅛
8100	Imasco	$35½	35¼	35⅜	
43300	Imp Oil	$38¼	d37¾	38¼	+¼
66000	Inco	$34⅛	33⅞	33⅞	−¼
29400	Int Corona	485	475	480	
49400	IntprvPipe	$25½	25⅜	25½	+⅛
100	Invest Grp x	$26	26	26	
3100	Ivaco A	310	310	310	+5
2900	Jannock	$17	16¾	16¾	−½
15000	KerrAddis	$16⅜	16	16⅜	+⅜
12200	Laban	$25⅞	d25¼	25¼	−⅛
71000	Lac Mnls	$7¼	7	7	−⅞
2100	Lafarge	u$18¼	18¼	18¼	
12100	Laidlaw A	$12	11⅞	11⅞	
134700	Laidlaw B	$11⅞	11⅝	11¾	−⅛
700	Laurent Bk x	$19½	19½	19½	
300	Laurent Gp	$6	6	6	
6800	Lawson Mar x	$9¼	9⅛	9¼	+¼
1300	Loblaw	$18¼	18	18⅛	
55500	Mackenzie	$6⅛	d5⅞	6	−⅛
152500	Macm Bl	$18½	18¼	18⅜	+⅛
17700	Magna Intl A x	$29⅝	29½	29½	−⅛
23800	Mpl Lf Fds	$17⅛	17	17	
4100	Marit T&T	$21⅛	21	21	
1400	Mark Res	$5¼	5	5	
4500	MDS Hlth B	$20⅜	20⅜	20⅜	
7100	Metall Min	$12⅜	12⅜	12⅜	+⅛
500	Minnova	$17½	17	17⅛	−⅛
42600	Mitel Corp	168	150	158	+8
23400	Molson A	$35	34⅛	34¼	−¼
32000	Moore Corp	$25	24¾	24⅞	
3000	Muscocho	6	6	5½	
53100	Nat Bk Can x	$10½	10¼	10½	+⅛
33800	Noma Ind A	$8⅛	5⅞	5⅞	−¼
7200	NorandaFor	$8⅜	8¼	8¼	
21300	Noranda	$17	d16⅝	16⅞	
200	Norcen 12	$22⅜	22⅜	22⅜	
13700	NorcnMVtg	$20	d19⅞	19⅞	−⅛
78600	Nth Tele	$53¼	52⅞	53½	+⅜
5800	Northgate	80	d75	80	+2
519700	Nova Corp	$8¼	8	8⅛	+⅛
700	Nowsco WSx	$8	d7¾	8	
4300	Numac Oil	$5⅛	5⅛	5⅛	−⅛
74000	Ocelot A	$13⅞	13⅝	13⅞	
39700	Onex Corp	u$7¼	7⅛	7⅝	+¼
134300	Oshawa A	$18⅞	18½	18½	−⅜
178900	PWA Corp	495	485	485	−5
10000	Pagurian A	470	d460	465	
900	Pancdn Pet	$23⅞	23½	23⅞	−⅛
6100	Pegasus	$14⅝	14½	14⅝	+⅛
5600	Pioneer Ml	19	18	18	−1
249900	PlacerDome	$11½	11¼	11¼	
1600	Poco Pet	500	485	500	+10
145900	Power Corp	$14⅞	14⅝	14⅞	+¼
2000	Power Fin	$20½	20¼	20¼	−¼
4500	Provigo	$8⅞	8¾	8⅞	+⅛
3400	Quebecor A	u$13	d13	13	
18600	Ranger Oil x	$8¼	8⅛	8½	
5800	Rayrock	$6	5¾	6	+¼
2300	Reed Sten	$25	24¾	24¾	
400	Reitman S	$18	18	18	
11800	Ren'ssance	$13¼	13½	13⅛	+⅛
14400	Repap Ent	450	d445	445	
5400	Rio Algom	$18⅜	18⅛	18¼	+⅛
138500	RogersComB	$12⅜	12¼	12¼	
900	Rothmans	$94	94	94	
152600	RoyalBkCan	$24	d23¾	23⅞	−⅛
47100	Ryl Oak Mn	170	165	170	+5
74700	RylTrustco	$8	7⅞	8	+⅛
600	StLawCm A	$12	12	12	
43200	Sceptre Rs	90	85	85	−6
500	ScottPaper	$18½	18½	18⅜	
132800	Scotts Hos	$15⅛	14¾	15⅛	+¼
38700	Seagram Co	$136¼	135¼	135¼	+⅞
1600	Sears Can	$9⅞	9⅝	9¾	
4000	ShellCan A	$43⅞	43⅝	43⅝	−⅜
2800	Sherritt G	$8⅞	8⅝	8¾	
81700	SHL Syst	$15½	15⅜	15½	+⅛
600	SNC Group	$12	d12	12	−½
35000	Sonora Gld	15	d15	15	
56300	Southam	$19¾	19¼	19¾	+⅝
7200	Spar Aero	$19⅝	19	19¼	−½
71400	Stelco A	500	d480	490	−10
43300	Teck B	$17¼	17⅛	17⅛	
8900	Teleglobe	$12⅜	12¼	12⅜	+⅛
64600	Thomson	$16¾	16¼	16⅝	+⅛
113400	Tor Dom Bk	$16½	16⅛	16½	+⅜
500	Torstar B	$22⅜	22¼	22¼	+⅛
11500	TotalPNAm	$10¼	d10⅛	10⅛	−⅛
334300	TransAlta	$12½	12¼	12½	+⅛
189800	Transcan P x	$16½	16⅛	16½	+⅛
23200	Trimac	$8⅛	8	8⅛	+⅛
33300	Trizec A	$8	7⅝	8	+⅛
100	UAP A	$16⅞	16⅞	16⅞	
2000	UnionEnt	u$15¼	14⅞	15¼	
700	UnitedCorp	$27½	27½	27½	−½
6800	UtdDomInd	$11¼	11	11	
5700	Viceroy Rs	450	450	450	−10
7800	W coast E	$17¼	17⅛	17¼	+⅛
3000	Weston Geo	$37	36½	36¾	+⅜
3000	WIC B	$14½	14½	14½	−¼

f - No voting rights or restricted voting rights

MONTREAL

2:00 pm prices March 31

Sales	Stock	High	Low	Close	Chng
45300	BombrdierB	$16½	16¼	16⅜	
35900	Cambior	$7½	7¼	7½	+⅛
28700	CanImp Bk x	$29⅝	28⅞	29⅝	+¼
1500	CanMarconi	$15⅞	15¾	15⅞	
31800	Cascades	$7⅝	7½	7½	
900	DominTxt A	$8⅞	8¾	8⅞	
13200	[illegible]	$12	11⅞	11⅞	
79600	NatBk Can x	$10½	10¼	10⅜	
31200	Provigo	$8¾	8¾	8¾	
600	Quebecor A	u$13⅜	13½	13⅜	+⅛
38300	Teleglobe	$12⅜	12¼	12¼	
163100	Videotron	$16⅝	16½	16½	

Total Sales 9,107,000 shares

INDICES

NEW YORK

DOW JONES	Mar 30	Mar 27	Mar 26	Mar 25	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
♦Industrials	3235.24	3231.44	3267.67	3259.39	3290.25 (3/3)	3172.41 (2/1)	3290.25 (3/3/92)	41.22 (2/7/32)
Home Bonds	98.49	98.89	98.72	98.54	99.81 (6/2)	98.41 (20/3)	99.81 (6/2/92)	54.99 (1/10/81)
Transport	1372.38	1379.67	1392.00	1390.88	1467.68 (20/2)	1342.12 (2/1)	1532.01 (5/9/89)	12.32 (8/7/32)
Utilities	203.87	203.24	203.93	203.37	225.59 (3/1)	202.55 (6/3)	236.23 (2/1/90)	10.50 (8/4/32)

♦Day's High 3260.06 (3272.58) Low 3215.79 (3218.92)

STANDARD AND POOR'S

	Mar 30	Mar 27	Mar 26	Mar 25	1992 HIGH	1992 LOW	Since compilation HIGH	Since compilation LOW
Composite ‡	403.00	403.50	407.86	407.52	420.77 (15/1)	403.00 (30/3)	420.77 (15/1/92)	4.40 (1/6/32)
Industrials	479.43	480.33	485.55	485.28	499.27 (15/1)	479.43 (30/3)	499.27 (15/1/92)	3.62 (21/6/32)
Financial	34.09	34.08	34.53	34.36	35.14 (15/1)	33.53 (31/1)	35.24 (9/10/89)	8.64 (1/10/74)
NYSE Composite	222.99	223.31	225.49	225.40	231.85 (15/1)	222.99 (30/3)	231.85 (15/1/92)	4.46 (25/4/42)
Amex Mkt. Value	393.61	394.36	398.86	400.29	418.99 (12/2)	393.61 (30/3)	418.99 (12/2/92)	29.31 (9/12/72)
NASDAQ Composite	602.07	604.67	615.40	619.48	644.92 (12/2)	586.45 (2/1)	644.92 (12/2/92)	54.87 (31/10/72)

	Mar 27	Mar 20	Mar 13	year ago (approx.)
Dow Industrial Div. Yield	2.86	2.80	2.84	3.53

	Mar 25	Mar 18	Mar 11	year ago (approx.)
S & P Industrial div. yield	2.62	2.61	2.64	2.88
S & P Indl. P/E ratio	28.78	28.91	28.51	17.95

NEW YORK ACTIVE STOCKS

Monday	Stocks traded	Closing price	Change on day
Oak Inds	3,567,300	2	+ ⅛
AT & T	2,243,000	41	+ ⅜
Waste Man	1,698,400	37⅞	− 1⅛
RJ Nabisco	1,673,500	9⅜	....
Adv Micro	1,506,900	17⅜	− ⅛
IBM	1,350,500	83⅜	+ ⅛
Glaxo	1,342,800	27⅞	+ ½
Chem Bank	1,308,100	33⅜	− 1¼
Am Express	1,207,600	23	....
Chrysler	1,154,100	17⅝	+ ½

TRADING ACTIVITY

† Volume (Millions)	Mar 30	Mar 27	Mar 26
New York SE	131.276	166.020	176.690
Amex	11.999	14.029	15.008
NASDAQ	154.207	203.963	175.496
NYSE			
Issues Traded	2,229	2,212	2,203
Rises	716	446	770
Falls	922	1,242	843
Unchanged	591	524	590
New Highs	22	18	38
New Lows	36	31	18

CANADA

TORONTO	Mar 30	Mar 27	Mar 26	Mar 25	1992 HIGH	1992 LOW
Metals & Minerals	2901.62	2918.18	2968.18	2978.83	3238.87 (16/1)	2901.62 (30/3)
Composite	3406.70	3416.80	3448.50	3452.30	3666.00 (16/1)	3406.70 (30/3)
MONTREAL Portfolio	1767.56	1777.06	1796.06	1801.49	1937.59 (16/1)	1767.56 (30/3)

Base values of all indices are 100 except NYSE All Common – 50, Standard and Poor's – 10, and Toronto Composite and Metals – 1000. Toronto indices based 1975 and Montreal Portfolio 4/1/83. † Excluding bonds. ‡ Industrial, plus Utilities, Financial and Transportation. (c) Closed. (u) Unavailable.

	Mar 31	Mar 30	Mar 27	Mar 26	1992 HIGH	1992 LOW
AUSTRALIA						
All Ordinaries (1/1/80)	1582.6	1573.4	1576.4	1571.2	1675.60 (15/1)	1568.00 (18/3)
All Mining (1/1/80)	693.0	688.0	687.4	684.2	717.20 (25/2)	660.30 (2/1)
AUSTRIA						
Credit Aktien (30/12/84)	428.46	428.09	431.97	432.85	685.20 (18/3)	372.24 (2/1)
Traded Index (2/1/91)	1020.36	1020.15	1031.15	1035.72	1099.43 (24/2)	901.64 (2/1)
BELGIUM						
BEL20 (1/1/91)	1193.01	1187.88	1187.09	1190.63	1234.72 (3/3)	1097.23 (8/1)
DENMARK						
Copenhagen SE (3/1/83)	330.20	330.74	331.12	331.14	365.29 (15/1)	330.20 (31/3)
FINLAND						
HEX General (28/12/90)	826.6	825.9	837.7	835.6	935.90 (24/2)	779.00 (2/1)
FRANCE						
CAC General (31/12/82)	529.45	522.90	524.04	523.49	534.00 (11/3)	475.53 (2/1)
CAC 40 (31/12/87)	1942.43	1943.75	1923.54	1934.75	1993.88 (10/3)	1749.91 (2/1)
GERMANY						
FAZ Aktien (31/12/58)	699.86	695.85	696.19	698.21	715.44 (3/3)	643.26 (8/1)
Commerzbank (1/12/53)	1974.6	1963.8	1969.3	1975.3	2026.70 (3/3)	1813.80 (8/1)
DAX (30/12/87)	1717.86	1710.31	1711.45	1719.02	1764.80 (5/3)	1578.73 (8/1)
HONG KONG						
Hang Seng Bank (31/7/64)	4938.30	4978.27	5007.58	5027.71	5071.19 (13/3)	4301.78 (2/1)
IRELAND						
ISEQ Overall (4/1/88)	1372.05	1379.95	1389.02	1395.89	1469.57 (17/1)	1372.05 (31/3)
ITALY						
Banca Com. Ital. (1972)	502.47	496.49	497.74	496.97	551.59 (6/2)	496.49 (30/3)
MIB General (2/1/92)	989.0	977.0	979.0	978.0	1067.00 (6/2)	977.00 (30/3)
JAPAN						
Nikkei (16/5/49)	19345.95	19669.31	19636.99	19885.49	23801.18 (6/1)	19345.95 (31/3)
Tokyo SE (Topix) (4/1/68)	1418.52	1430.15	1428.13	1446.76	1763.43 (6/1)	1407.76 (18/3)
2nd Section (4/1/68)	2101.96	2105.20	2106.94	2117.71	2459.85 (6/1)	2101.96 (31/3)
MALAYSIA						
KLSE Composite (4/4/86)	593.21	597.69	602.71	604.27	619.06 (20/2)	546.63 (14/1)
NETHERLANDS						
CBS Ttl Rtn Gen (End 1983)	290.3	290.8	290.3	292.0	295.10 (4/3)	274.00 (8/1)
CBS All Shr (End 1983)	203.9	204.2	203.8	205.0	4379.00 (17/3)	192.40 (8/1)
NORWAY						
Oslo SE (Ind) (2/1/83)	712.61	703.10	705.49	704.35	748.03 (17/1)	667.88 (25/2)
PHILIPPINES						
Manila Comp (2/1/85)	1092.94	1091.19	1086.11	1086.60	1303.30 (17/1)	1083.01 (17/3)
SINGAPORE						
SES All-Singapore (2/4/75)	383.76	385.07	388.17	388.59	416.99 (21/1)	383.76 (31/3)
SOUTH AFRICA						
JSE Gold (28/9/78)	1118.04	1133.0	1118.0	1122.0	1327.00 (21/1)	1103.00 (24/3)
JSE Industrial (28/9/78)	4485.04	4455.0	4455.0	4459.0	4535.00 (15/1)	4169.00 (2/1)
SOUTH KOREA**						
Korea Comp Ex (4/1/80)	606.32	597.69	617.38	611.70	691.46 (8/2)	597.69 (30/3)
SPAIN						
Madrid SE (30/12/85)	255.47	256.11	256.71	255.57	266.51 (28/2)	238.93 (2/1)
SWEDEN						
Affarsvarlden Gen. (1/2/37)	999.9	1002.4	1006.9	1004.1	1009.70 (20/3)	913.70 (2/1)
SWITZERLAND						
Swiss Bank Ind (31/12/58)	816.2	817.8	813.8	818.0	818.00 (26/3)	748.50 (8/1)
SBC General (1/4/87)	643.2	643.5	640.5	644.0	650.10 (3/3)	601.10 (8/1)
TAIWAN**						
Weighted Price (30/6/66)	4800.94	(c)	4817.35	4792.54	5391.63 (30/1)	4685.16 (23/3)
THAILAND						
Bangkok SET (30/4/75)	822.72	827.24	828.18	824.08	828.18 (27/3)	711.81 (3/1)
WORLD						
M S Capital Intl (1/1/70) (\$)	498.8	489.2	490.1	493.5	542.10 (7/1)	488.80 (31/3)
Euro Top-100 (26/6/90)	915.58	916.15	914.94	919.83	943.20 (3/3)	870.31 (2/1)

**Saturday March 28: Taiwan Weighted Price 4833.47; Korea Comp Ex. 602.66.
\$ Subject to official recalculation. *Calculated at 15.00 GMT
Base values of all indices are 100 except Austria Traded, BEL20, HEX Gen., MIB Gen., Euro Top-100, ISEQ Overall and DAX – 1,000; JSE Gold – 255.7; JSE 26 Industrials – 264.3 and Australia All Ordinary and Mining – 500. (c) Closed. (u) Unavailable.

TOKYO - Most Active Stocks

Tuesday, 31 March 1992

	Stocks Traded	Closing Prices	Change on day		Stocks Traded	Closing Prices	Change on day
Minebea	4.8m	464	−25	Meiji Milk	2.6	801	−47
Tokyu	4.5	594	−26	NKK	2.6	289	−3
Hitachi	3.2	786	+13	Clarion	2.2	940	−70
Nippon Steel	3.1	313	−7	Kurabo Inds	2.0	481	−11
Kawasaki Steel	2.7	320	+8	Mitsubishi Heavy	2.0	585	−5

NEW YORK STOCK EXCHANGE COMPOSITE PRICES

4:00 pm prices March 31

1992 High	1992 Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close Quote	Ch'ge Prev. Close
$15\frac{3}{4}$	$12\frac{1}{4}$	AAR Corp	0.48	3.4	17	315	$14\frac{1}{4}$	$13\frac{7}{8}$	$14\frac{1}{8}$	$-\frac{1}{8}$
26	$20\frac{5}{8}$	A L Labs A r	0.18	0.8	105	330	$23\frac{1}{8}$	$22\frac{7}{8}$	23	$-\frac{1}{4}$
$69\frac{1}{4}$	56	AMP Inc	1.52	2.6	23	1317	$58\frac{1}{4}$	57	$58\frac{1}{4}$	$+1\frac{1}{4}$
$80\frac{1}{4}$	$68\frac{1}{8}$	AMR				253384	$74\frac{1}{8}$	$72\frac{5}{8}$	$73\frac{3}{4}$	$+1\frac{1}{8}$
$2\frac{1}{8}$	$1\frac{1}{8}$	ARX			2	710	2	$1\frac{7}{8}$	2	$+\frac{1}{8}$
$53\frac{1}{2}$	$43\frac{1}{4}$	ASA	2.75	6.1	13	317	$45\frac{1}{2}$	$44\frac{3}{4}$	$45\frac{1}{8}$	$+\frac{1}{8}$
$68\frac{3}{8}$	$58\frac{1}{4}$	Abbott Lab	1.20	2.0	23	4171	$61\frac{5}{8}$	$60\frac{1}{2}$	$61\frac{1}{8}$	$+\frac{1}{8}$
$13\frac{7}{8}$	$12\frac{1}{8}$	Abitibi Pr	0.50	3.8	27	28	13	$12\frac{7}{8}$	13	$+\frac{1}{8}$
$11\frac{5}{8}$	$10\frac{3}{8}$	ACM Gvt In	0.96	9.1		298	$10\frac{1}{2}$	d$10\frac{3}{8}$	$10\frac{1}{2}$	$+\frac{1}{8}$
$10\frac{1}{8}$	$9\frac{1}{8}$	ACM GvOpp	0.80	8.6		254	$9\frac{3}{8}$	$9\frac{1}{4}$	$9\frac{1}{4}$	$-\frac{1}{8}$
$9\frac{1}{2}$	$8\frac{5}{8}$	ACM Gvt Sc x	0.80	9.4		204	$8\frac{3}{4}$	d$8\frac{1}{2}$	$8\frac{1}{2}$	$-\frac{1}{8}$
$11\frac{1}{4}$	$10\frac{1}{8}$	ACM Gvt Se x	0.96	9.5		580	$10\frac{1}{4}$	d$10\frac{1}{8}$	$10\frac{1}{8}$	$-\frac{1}{8}$
$9\frac{3}{8}$	$8\frac{5}{8}$	ACM Man	0.95	10.8		142	$8\frac{3}{4}$	d$8\frac{5}{8}$	$8\frac{3}{4}$	$+\frac{1}{8}$
$12\frac{7}{8}$	$10\frac{7}{8}$	ACM Managd	1.08	9.6		53	$11\frac{1}{4}$	$11\frac{1}{8}$	$11\frac{1}{4}$	
$11\frac{3}{4}$	7	Acme Cleve	0.40	3.9	19	274	$10\frac{3}{8}$	10	$10\frac{1}{4}$	$+\frac{1}{4}$
$6\frac{1}{4}$	$4\frac{1}{2}$	Acme Elect			4	37	$5\frac{3}{4}$	$5\frac{5}{8}$	$5\frac{3}{4}$	
$33\frac{1}{4}$	$18\frac{7}{8}$	Acuson			12	730	$20\frac{1}{2}$	$20\frac{1}{8}$	$20\frac{1}{4}$	$+\frac{1}{8}$
$19\frac{1}{2}$	$18\frac{1}{2}$	Adams Expr	0.48	2.6	0	90	$18\frac{7}{8}$	$18\frac{3}{4}$	$18\frac{3}{4}$	$-\frac{1}{4}$
$15\frac{1}{2}$	13	Adobe12Pf	2.40	16.6		160	$14\frac{1}{2}$	$14\frac{3}{8}$	$14\frac{1}{2}$	$+\frac{1}{8}$
$5\frac{1}{8}$	$4\frac{1}{2}$	Adobe Res			2	339	$5\frac{1}{8}$	5	5	
$49\frac{1}{8}$	$40\frac{1}{2}$	Ad Micro	3.00	7.0		23	$42\frac{3}{4}$	$42\frac{1}{2}$	$42\frac{3}{4}$	$+\frac{1}{4}$
$21\frac{1}{2}$	$16\frac{1}{2}$	Ad Micro P	3.00	16.9	11	7841	$17\frac{7}{8}$	$17\frac{3}{8}$	$17\frac{3}{4}$	$+\frac{1}{8}$
$9\frac{3}{4}$	5	Advest Grp	0.16	2.3	29	50	7	$6\frac{7}{8}$	7	
$71\frac{1}{8}$	$67\frac{1}{8}$	Aegon ADR			6	18	70	$69\frac{1}{2}$	$69\frac{1}{2}$	$-1\frac{1}{4}$
47	39	Aetna Ll	2.76	6.4		92008	$43\frac{1}{8}$	42	$43\frac{1}{8}$	$+1\frac{1}{8}$
12	$8\frac{3}{8}$	Affil A	0.24	2.4	72	372	$10\frac{1}{8}$	$9\frac{7}{8}$	$10\frac{1}{8}$	$+\frac{1}{4}$
$32\frac{7}{8}$	$26\frac{7}{8}$	Aflac	0.40	1.4	15	1390	$27\frac{1}{2}$	$27\frac{1}{8}$	$27\frac{1}{2}$	$-\frac{1}{8}$

Continued on next page

NYSE COMPOSITE PRICES

Continued from previous page

- X - Y - Z -

1992 High	Low	Stock	Div.	Yld. %	P/E	Sls 100s	High	Low	Close	Chng
82¼	66½	Xerox	3.00	4.2		143060	73¼	71⅜	71½	−1¾
53½	50½	Xerox4.125				16	53	52	53	
28½	24⅞	Xtra 1.94	1.94	7.1		16	27⅜	27⅜	27⅜	
37	28½	Xtra Corp	0.80	2.3	15	171	35½	34⅞	35⅜	+⅜
27	25¼	Yankee Egy	1.60	6.0	12	31	26⅝	26⅜	26⅝	+⅜
1½	½	Zapata			31	1322	1¼	1⅛	1¼	
11⅛	7¾	ZenithElec			5	457	9¼	9	9⅛	
17¼	14½	Zenith Nat	1.00	6.2	7	149	16½	16¼	16¼	−⅛
6⅞	6	Zenix Inc x	0.85	12.8		93	6⅝	6⅝	6⅝	−⅛
13¾	11⅛	Zero Corp	0.40	3.2	19	75	12⅝	12¼	12⅝	+⅛
38	34¼	Zurn Ind	0.88	2.4	16	78	36⅞	36	36¼	−⅛
14⅛	12¾	Zweig Fund	1.16	8.6		220	13½	13¼	13½	+¼
11	9⅞	Zweig Totl	0.96	9.2		766	10½	10⅜	10⅜	−⅛

Price data supplied by Telekurs.

Yearly highs and lows reflect the period from Jan 1, excluding the latest trading day. Where a split or stock dividend amounting to 25 percent or more has been paid, the year's high-only range and dividend are shown for the new stock only. Unless otherwise noted, rates of dividend are annual disbursements based on the latest declaration. Sales figures are unofficial.

a-dividend also xtra(s). b-annual rate of dividend plus stock dividend. c-liquidating dividend. cld-called. d-new yearly low. e-dividend declared or paid in preceding 12 months. g-dividend in Canadian funds, subject to 15% non-residence tax. i-dividend declared after split-up or stock dividend. j-dividend paid this year, omitted, deferred, or no action taken at latest dividend meeting. k-dividend declared or paid this year, an accumulative issue with dividends in arrears. n-new issue in the past 52 weeks. The high-low range begins with the start of trading. nd-next day delivery. P/E price-earnings ratio. r-dividend declared or paid in preceding 12 months, plus stock dividend. s-stock split. Dividends begin with date of split. sls-sales. t-dividend paid in stock in preceding 12 months, estimated cash value on ex-dividend or ex-distribution date. u-new yearly high. v-trading halted. vi-in bankruptcy or receivership or being reorganised under the Bankruptcy Act, or securities assumed by such companies. wd-distributed. wi-when issued. ww-with warrants. x-ex-dividend or ex-rights. xdis-ex-distribution. xw-without warrants. y-ex-dividend and sales in full. yld-yield. z-sales in full.

AMEX COMPOSITE PRICES

2:00 pm prices March 31

NASDAQ NATIONAL MARKET

2:00 pm prices March 31

- X - Y - Z -

Stock	Div.	P/E	Sls 100s	High	Low	Last	Chng
Xilinx		27	2472	25¾	24½	25¾	+¼
Xoma Corp		11	749	20	d19½	19¾	
Yellow Fr	0.94	30	1483	29	28½	29	+¼
York Rsch		43	2063	5½	4⅞	5¼	+⅛
Zions Utah	1.44	10	58	u50¼	48¼	49	+¼

AMERICA

Positive economic data help Dow move ahead

Wall Street

AFTER a week of losses and lacklustre trading, US stock markets posted solid advances yesterday morning in the wake of some broadly positive economic news, *writes Patrick Harverson in New York.*

By midday the Dow Jones Industrial Average was up 23.14 at 3,257.38. The more broadly based Standard & Poor's 500 was also firmer at midsession, up 2.05 at 405.05, while the Nasdaq composite index of over-the-counter stocks gained 2.37 at 604.44.

Turnover on the NYSE was 82m shares at noon, modest by recent standards, but still higher than Monday's exceptionally low levels. Rises outpaced declines by 753 to 698.

Share prices have traded in a narrow range recently because of the lack of consistent evidence of an economic recovery. Although yesterday's figures on their own did not add up to much, taken together they provided more *proof that economic* activity is picking up, albeit slowly.

The rise in the Conference Board's March consumer confidence index to 54.0 per cent from 47.3 per cent the previous month was the best news of the day.

Two regional purchasing *managers' reports, from* Chicago and Detroit, also showed solid gains, while the 0.8 per cent rise in leading economic indicators was in line with forecasts, but still welcome.

Among individual stocks, Corning rose \$1¼ to \$34 after the company reported that first quarter net income rose to \$78.1m from 48.4m in the same period a year ago. Earnings in both quarters, however, were *affected by extraordinary* gains. Corning stock has suffered in recent months because of controversy surrounding silicone breast implants produced by Dow Corning, a joint partnership between Corning and Dow Chemical.

Orion Pictures, which filed for Chapter 11 bankruptcy protection in December, enjoyed a rare gain, rising \$⅛ to \$2⅞ as investors reacted positively to the triumph of the company's "Silence of the Lambs" motion picture, which swept the four top awards (Best Picture, Best Director, Best Actor and Best Actress) at the Oscar ceremonies on Monday night.

Dime Savings Bank slumped *\$⅝ to \$3¼ in active trading* after the company reported that its fourth quarter loss widened to \$8.54 a share from a loss of 55 cents a share a year earlier.

Raychem slipped \$1¾ to \$33⅞ in early trading after the company said it expected fiscal third quarter sales to be flat compared with those a year ago. The shares recovered later, however, and soon after midday were down just \$¾ at \$34¾.

Chicago & North Western, *one of the country's main railway* companies, made its debut on the NYSE yesterday. The public offering of 8.75m in common stock was priced at \$20.50 a share, and by noon it was trading firmer at \$21⅛ in turnover of 2m shares.

TRC, the environmental consultancy and research company, fell \$¾ to \$13½ after Kidder Peabody and Raymond James, two broking houses, downgraded the stock.

Another stock hit by a downgrading was the specialty stores group TJX, which fell \$1 to \$18¾ after Mr Richard Baum, analyst at Sanford C Bernstein, lowered his rating on TJX from "outperform" to "market perform" because he believed recent gains in the stock had taken it close to its fair valuation.

Canada

TORONTO midday stocks were broadly higher. The composite index added 10.58 to 3,417.30, boosted by gains in financial services, metals and minerals, and oil and gas. Volume stood at 12.0m shares.

Aomg the most active stocks, Brascan A share fell C\$⅛ to C\$17¼, while BCE and Nova were both steady at C\$46¼ and C\$8¼ respectively.

EUROPE

Paris pins hopes on Bérégovoy for premier

DOMESTIC matters continued *to influence bourses yesterday, writes Our Markets Staff.*

PARIS continued its vigil for the resignation of Prime Minister Edith Cresson, which was expected to be announced in the next 24 hours. Dealers said the market would welcome the appointment of Mr Pierre Bérégovoy, the finance minister, as the new premier because of his efforts to increase equity investment in France.

Mr Robert Lyon, the head of Caisse des Depôts et Consignations, the French state financial institution, is tipped as Mr Bérégovoy's successor.

The CAC-40 index ended 1.32 lower at 1,942.43, off the day's high of 1,962.24 on selling linked to the expiry of options and futures.

Perrier accounted for FFr1.2bn of total turnover of FFr3.6bn, as holders sold into the market for the second day. Perrier was steady at FFr1,700, with 723,250 shares traded.

BSN jumped FFr17 to FFr1,126 as fund managers reinvested their Perrier proceeds. BSN was also boosted by a buy note from James Capel, which reportedly bought 50,000 shares of the total 116,370 traded.

Hachette fell another FFr8.30 or 5.2 per cent to FFr150 on fears of a heavy rights issue to strengthen its balance sheet, following the La Cinq losses.

FRANKFURT was encouraged by firmer engineering orders *in February and some* positive results from steel and engineering groups. The DAX rose 7.55 to 1,717.86 while the FAZ index, calculated at midsession, gained 4.01 to 699.86. Turnover rose to DM5.1bn from DM4.5bn.

Mannesmann, which forecast 1992 group sales of DM30bn, put on DM3.70 to DM280.00. The engineering group also reported that sales in the first two months had risen nearly 30 per cent. Hoesch weakened 70 pfg to DM255.80 after saying that group sales in the first two months were flat. Linde put on *DM11 to DM827* following Monday's news that group net profit had risen nearly 19 per cent.

Volkswagen advanced another DM7.8 to DM363.8, while the rest of the car sector was lacklustre.

MILAN saw active interest in the telecoms, while the broad market staged a technical rebound. Dealers said the market had now discounted disastrous results for the main parties in the general election this weekend. The Comit index added 7.98 or 1.6 per cent to 502.47 in turnover estimated at L90bn after Monday's L57bn.

Sip jumped L56 or 4 per cent to L1,456 in 8m shares, double Monday's level, on reports of a big foreign buy order executed by a Milan broker which has close ties with a leading London broker. The latter was said to have issued a belatedly bullish note on Sip this week. Sip was also buoyed up by hopes of a rise in the dividend following Monday's news of a 19.5 per cent increase in 1991 profit.

Mediobanca rose L195 to L13,585, encouraged by news of a better gross profit performance in the first eight months of fiscal 1992. There were reports, confirmed after the close, that San Paolo would *start trading tomorrow.* Yesterday the grey market price in London was L12,070-L12,130, below the offer price of L12,200.

Parmalat, the dairy and food group, was steady at L10,050 after announcing its 1991 results. There were concerns that the company would launch a capital increase to reduce debt.

ZURICH continued to focus on chemicals. The SMI index fell 2 to 1,837.2 in turnover of SFr250m after SFr300m.

Roche bearers lost SFr30 to SFr4,350 and its certificates fell SFr20 to SFr3,070 ahead of its results later this week.

Ciba-Geigy bearers rose SFr50 to SFr3,490 and its registered shares were SFr20 higher *at SFr3,490. James Capel* issued a buy note on the stock, based on its above-average growth prospects over the next two years.

BRUSSELS was dominated by retailers. Delhaize gained BFr70 to BFr9,430 with more than 21,500 shares traded while GIB fell BFr10 to BFr1,332. The Bel-20 Index was 5.13 higher at 1,193.01.

AMSTERDAM concentrated on individual stocks. The CBS Tendency Index closed up 0.1 at 124.7 in turnover of Fl 444.6m.

Begemann rose Fl 6 to Fl 118 *in anticipation of good results* which are due tomorrow. Aegon fell Fl 1.6 to Fl 128.5 after announcing a 10.5 per cent rise in net operating profit.

Wessanen, which hopes to *double turnover by the end of* the decade, rose Fl 2.8 or 3 per cent to Fl 91.5.

MADRID saw a large put-through of 2m shares in Banco Santander which closed down Pta25 at Pta4,570. Telefónica *fell Pta10 at Pta1,140, a two-*week low. The general index fell 0.64 to 255.47.

FT-SE Eurotrack 100 - Mar 31

Hourly changes

Open	10 am	11 am	12 pm	1 pm	2 pm	3 pm	close
1147.95	1148.43	1147.99	1149.67	1150.21	1150.58	1150.35	1149.80

Day's High 1151.64 Day's Low 1147.15

Mar 30	Mar 27	Mar 26	Mar 25	Mar 24
1145.80	1140.84	1146.25	1144.53	1142.88

Base value 1000 (26/10/90).

ASIA PACIFIC

Government's package disappoints Tokyo

Tokyo

THE NIKKEI average fell to a new five-year low yesterday as the government's economic stimulus package disappointed the market and the Bank of Japan's expected discount rate cut failed to materialise, *writes Emiko Terazono in Tokyo.*

The 225-issue average lost 323.36 to 19,345.95, the lowest *close since 20 January 1987.* The index hit the day's high of 19,914.69 in the morning session on residual window-dressing on the last day of the fiscal year. However, the Nikkei later dropped to an intraday low of 19,343.34 as the futures market weakened.

Volume picked up moder*ately to 220m shares from* 170m. Institutional investors, who were expected to boost prices on the last day of the fiscal year, remained inactive. Declines led advances by 550 to 386, with 189 issues unchanged. The Topix index of all first section stocks weakened 11.63 to 1,418.52, but in London the ISE/*Nikkei 50 index ended 3.85* firmer at 1,112.30.

Market participants were sceptical of the government's seven-point emergency economic package, which included: front-loading public works projects for fiscal 1992; increasing capital expenditure for public utilities; promoting fewer working hours to boost consumer spending and housing investments; promoting labour-saving investments with loan extensions; supporting small and medium-sized companies; restructuring financial markets for smoother corporate funding; and implementing a more flexible monetary policy.

Miss Kathy Matsui, strategist at Barclays de Zoete Wedd, said: "There was nothing the market did not know already." She added that the only stock market beneficiaries would be *public works-related issues.*

Foreigners were seen selling in small lots. Mr Nick Cant at Baring Securities said that due to the continued weakness in the Tokyo market, there was a danger that foreign asset allocaters could review their exposure to Japan.

Investors ignored reports by *a business daily that the Bank* of Japan would reduce the official discount rate by 75 basis points today.

Declines in blue chips reflected the general bearishness. Nippon Steel shed Y7 to Y313. Nippon Telegraph and Telephone, a gauge for market sentiment, ended the fiscal *year down Y5,000 at an all-time* low of Y636,000.

Speculative issues fell on heavy selling and renewed concern over a bankruptcy of a leading speculator. Minebea, the most active issue of the *day, tumbled Y25 to Y464 and* Clarion Y70 to Y940.

Financials were lower on worries about increasing bad loans at many of the leading banks. Moody's Investor Services yesterday lowered the long-term ratings of three banks and the short-term rating of a regional bank. *Industrial Bank of Japan dipped Y20* to Y2,220 and Mitsubishi Bank dropped Y110 to Y1,950.

In Osaka, the OSE average declined 100.98 to 21,060.91 in volume of 242.5m shares.

Roundup

PACIFIC Rim markets were *mixed yesterday as the weak*ness in Tokyo weighed on sentiment.

HONG KONG was pushed lower by rumours that a leading company was about to make a rights issue. The Hang *Seng index retreated 39.97 to* 4,938.30 in turnover of HK\$1.95bn.

Among the most active stocks were Cheung Kong, off 50 cents at HK\$21.30, HSBC, down 50 cents at HK\$39.75, and Hutchison Whampoa, 10 cents easier at HK\$15.20.

SEOUL rose in late trading *as institutions increased the* value of their holdings on the last day of the fiscal year. The composite index climbed 8.63 to 606.32 in turnover of Won388bn.

KUALA LUMPUR fell as investors reacted to the economic statement released by the central bank after the mar*ket closed on Monday.* The composite index shed 4.48 to 593.21 in volume of 35m shares.

SINGAPORE weakened further. The Straits Times industrial index fell 11.48 to 1,414.26 in turnover of S\$676m.

TAIWAN receded on late selling of financial issues. The weighted index lost 32.53 to 4,800.94 in T\$16.9bn turnover.

BANGKOK eased on profit-taking as investors waited for the formation of the new government. The SET index finished 4.52 down at 822.72 in turnover of Bt7.4bn.

AUSTRALIA was supported by window-dressing at the end of the quarter. The All Ordinaries index put on 9.2 to 1,582.6 in turnover of A\$235.5m.

BOMBAY reached its second successive record high, the BSE index adding 193.57 at 4,285.00. Export-related shares were boosted by rumours that the government would allow export houses to convert their entire foreign exchange earnings at the market rate.

SOUTH AFRICA

WINDOW-DRESSING pushed industrials higher but mining shares suffered from lacklustre metal prices and the strong financial rand. Industrials rose 30 to 4,485, the overall index added 7 to 3,550, while golds fell 15 to 1,118.

Beware of Finns bearing gains and a market rise

William Cochrane says that the recovery in Helsinki has been more apparent than real

The recovery in the Helsinki stock market this year has been more apparent than real. The gains took place after a long period of decline and, for foreign investors, they were almost wiped out by the devaluation of the markka last November.

According to the FT-Actuaries World Index series, Finnish equities have risen by 7.3 per cent in local currency terms so far this year, compared with gains of 1.7 per cent for the Nordic bloc, 3.5 per cent for Europe and a 5.3 per cent drop in the World Index itself.

However, as the broker James Capel points out in a recent Nordic market review, Finland was the worst performer in Europe for the third successive year, in ever decreasing volume. In local *currency terms the fall was* 13.7 per cent; in dollar terms, and reflecting the 12.3 per cent markka devaluation, it widened to 24.4 per cent. This trend has continued this year, with the stock market slipping 0.17 per cent in dollar terms.

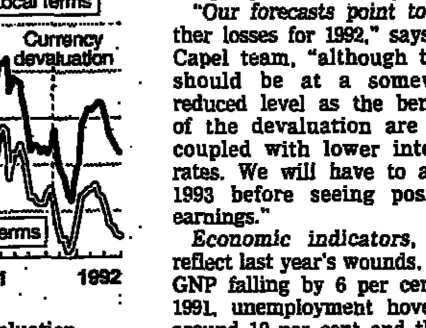
Meanwhile, Capel's analysts, Mr Peter Lawrence and Mr *Christian Diebitsch, have been* questioning the quality of the local currency gain. "Finland has once again started the year with a dramatic rise – the triumph of hope over experience," they remark, "for the fourth year running?"

They also say that the corporate results season has resulted in a quick cold shower for Helsinki equities and although, in nearly every instance, the results have been no worse than expected, the domestic Hex index has now come back (to 826.67 yesterday) by 11.7 per cent since its peak of 935.9 on February 24.

In February and again this month, companies have been showing the effects of a severe domestic recession, the collapse of trade with the former Soviet Union, and the markka devaluation.

Finland

FT-A World Index rebased



Source: Datastream

Loan loss provisions, above all, pushed Kansallis-Osake-Pankki (KOP), Finland's largest commercial bank, FM1.61bn (\$35.8m) into the red before tax; Mr Pertti Voutilainen, KOP's new chief executive, said loan write-offs jumped by 144 per cent to FM1.343bn.

In insurance, Vakuutusosakeyhtio Sampo swung from a FM29m profit to a FM229m loss before provisions and taxes, but said that its decision to run down its reinsurance business would lay the ground for better results in 1992.

Similarly, Kymmene, in forestry, said the devaluation of the markka would significantly improve its earnings in 1992; unfortunately, that improvement will have to follow a plunge from a FM394m profit to a FM1.3bn loss after finan*cial items in 1991.*

Capel's analysts say that final 1991 figures are expected to show net attributable losses totalling FM13bn for all Finnish listed companies, with the most sizeable losses from the forestry groups, hit by poor pricing, currency losses and crippling interest charges.

*"Our forecasts point to fur*ther losses for 1992," says the Capel team, "although these should be at a somewhat reduced level as the benefits of the devaluation are felt, coupled with lower interest rates. We will have to await 1993 before seeing positive earnings."

Economic indicators, too, reflect last year's wounds, with GNP falling by 6 per cent in 1991, unemployment hovering around 10 per cent and three-month money market rates still around 12 per cent against nearly 15 per cent last autumn. The comparison of what money costs, with an annual inflation rate down to only 2.6 per cent in February, is a measure of the credibility gap that Finland, and its equity market, still has to face.

"Interest rates will come down eventually," says Mr Lawrence, "but it will take time. The devaluation last November underlined the risk of investing in Finnish short-term paper; and, meanwhile, the sheer cost of money is going to delay Finland's economic recovery."

FT-ACTUARIES WORLD INDICES

Jointly compiled by The Financial Times Limited, Goldman, Sachs & Co., and County NatWest/Wood Mackenzie *in conjunction with the Institute of Actuaries and the Faculty of Actuaries*

NATIONAL AND REGIONAL MARKETS	MONDAY MARCH 30 1992								FRIDAY MARCH 27 1992					DOLLAR INDEX		
Figures in parentheses show number of lines of stock	US Dollar Index	Day's Change %	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	Local % chg on day	Gross Div. Yield	US Dollar Index	Pound Sterling Index	Yen Index	DM Index	Local Currency Index	1991/92 High	1991/92 Low	Year ago (approx)
Australia (69)	143.70	+0.0	123.04	121.17	123.42	124.82	−0.2	4.42	143.76	122.60	121.00	122.87	125.02	180.31	112.74	134.83
Austria (20)	171.65	−0.6	147.15	144.92	147.60	147.27	−1.1	1.96	172.96	147.50	145.58	147.83	148.85	222.37	153.86	195.65
Belgium (46)	136.91	−0.4	117.23	115.44	117.59	114.80	−0.1	5.22	137.51	117.27	115.73	117.53	114.98	151.20	118.04	138.96
Canada (115)	128.51	−0.3	110.04	108.36	110.37	110.78	−0.2	3.35	128.96	109.98	108.53	110.21	111.03	144.28	126.49	136.53
Denmark (36)	229.08	−0.6	196.15	193.18	196.75	199.72	−0.4	1.83	230.53	196.59	194.03	197.03	200.43	273.94	217.74	238.00
Finland (15)	77.02	−1.1	65.95	64.95	66.15	72.68	−1.5	2.01	77.89	66.43	65.56	66.58	73.80	125.15	73.32	117.91
France (108)	153.66	+0.5	131.57	129.56	131.96	135.04	+1.0	3.36	152.86	130.36	128.65	130.64	133.74	156.43	119.11	138.85
Germany (65)	116.88	−0.8	100.08	98.57	100.38	100.38	−0.3	2.29	117.82	100.47	99.17	100.70	100.70	125.35	94.15	106.91
Hong Kong (55)	207.32	−0.5	177.52	174.82	178.07	205.98	−0.5	3.85	208.43	177.75	175.43	178.16	207.09	210.88	119.62	151.99
Ireland (16)	156.22	−1.5	133.77	131.74	134.18	136.72	−0.8	3.74	158.62	135.27	133.50	135.57	137.88	182.46	132.88	162.82
Italy (77)	69.05	−0.8	59.12	58.22	59.30	64.30	−0.2	3.61	69.63	59.38	58.60	59.51	64.46	88.23	64.76	79.39
Japan (473)	105.71	+0.0	90.52	89.14	90.81	89.14	+0.2	0.96	105.70	90.14	88.97	90.38	88.97	146.97	104.90	135.52
Malaysia (68)	239.73	−0.5	205.27	202.14	205.89	238.35	−0.7	2.65	240.89	205.43	202.74	205.89	240.10	250.18	189.18	235.61
Mexico (18)	*1741.90*	−0.9	*1491.50*	*1468.85*	*1496.07*	*5863.97*	−1.3	0.96	1758.47	1499.62	1480.04	1502.99	*5939.93*	*1789.77*	*534.45*	*789.94*
Netherland (31)	149.11	−0.3	127.67	125.73	128.07	126.58	+0.2	4.38	149.51	127.50	125.83	127.79	126.37	156.48	125.70	139.23
New Zealand (14)	43.86	−0.2	37.55	36.98	37.67	42.46	−0.1	6.47	43.94	37.48	36.99	37.56	42.49	54.64	41.18	45.27
Norway (24)	168.29	−1.1	144.10	141.91	144.54	148.07	−1.0	1.72	170.24	145.18	143.29	145.51	149.56	223.24	157.08	195.75
Singapore (38)	203.54	−0.1	174.28	171.63	174.81	155.33	−0.6	2.22	203.76	173.76	171.50	174.15	156.34	228.43	151.63	193.00
South Africa (61)	229.03	+0.5	196.11	193.13	196.71	177.84	−0.3	2.83	228.00	194.44	191.89	194.87	178.30	271.99	173.00	198.02
Spain (51)	151.94	−0.6	130.10	128.13	130.50	120.23	−0.2	5.00	152.91	130.40	128.70	130.69	120.47	171.12	131.51	160.97
Sweden (25)	187.10	−1.1	160.21	157.78	160.70	166.05	−0.7	2.72	189.15	161.31	159.20	161.67	167.24	204.12	146.60	186.93
Switzerland (59)	98.89	−0.1	84.67	83.39	84.94	92.45	+0.6	2.23	98.99	84.41	83.32	84.61	91.90	104.22	82.17	93.82
United Kingdom (232)	*169.67*	−0.3	*145.28*	143.06	145.71	145.28	+0.1	5.14	170.11	*145.07*	143.16	*145.38*	*145.07*	*167.44*	*156.27*	*173.67*
USA (523)	164.63	−0.1	140.96	138.83	141.40	164.63	−0.1	2.97	164.87	140.60	138.77	140.92	164.87	171.66	125.95	150.52
Europe (807)	140.90	−0.3	120.64	118.81	121.02	121.58	+0.1	4.01	141.33	120.53	118.95	120.80	121.42	151.52	125.50	139.56
Nordic (100)	172.48	−0.9	147.68	145.44	148.13	146.40	−0.6	2.21	174.03	148.41	146.48	148.75	147.30	200.81	155.55	180.84
Pacific Basin (717)	*110.40*	*+0.0*	*94.53*	*93.09*	*94.82*	*93.55*	+0.1	*1.34*	*110.43*	*94.17*	*92.95*	*94.39*	*93.48*	*145.82*	*109.69*	*135.67*
Euro – Pacific (1524)	122.83	−0.2	105.17	103.57	105.49	105.36	+0.1	2.56	123.03	104.92	103.54	105.15	105.22	147.66	121.29	137.61
North America (638)	162.35	−0.2	139.01	136.92	139.46	160.97	−0.1	2.99	162.60	138.67	136.87	139.00	161.21	169.69	125.91	149.57
Europe Ex. UK (575)	122.97	−0.3	105.29	103.72	105.64	107.58	+0.1	3.24	123.39	105.23	103.87	105.49	107.43	129.80	103.58	118.78
Pacific Ex. Japan (244)	156.60	−0.3	134.09	132.07	134.52	139.16	−0.4	3.89	157.06	133.94	132.21	134.26	139.73	158.33	111.40	136.49
World Ex. US (1718)	125.27	−0.2	107.26	105.64	107.59	107.69	+0.1	2.58	125.47	107.00	105.61	107.24	107.59	148.16	122.32	138.55
World Ex. UK (2009)	134.54	−0.1	115.20	113.48	115.57	123.21	+0.0	2.46	134.74	114.90	113.41	115.17	123.24	150.58	120.06	138.39
World Ex. So. Af. (2180)	137.01	−0.2	117.31	115.54	117.68	124.82	+0.0	2.74	137.23	117.03	115.51	117.30	124.82	153.05	122.92	141.20
World Ex. Japan (1768)	155.70	−0.2	133.32	131.31	133.75	148.03	−0.1	3.37	156.03	133.06	131.34	133.38	148.14	161.90	126.69	148.06
The World Index (2241)	137.60	−0.2	117.82	116.04	118.19	125.30	+0.0	2.74	137.81	117.53	116.00	117.80	125.30	153.70	123.26	141.54

Constituent change with effect 1/4/92: Addition: Sulzer Brothers (Reg.) (Switzerland). Latest prices were unavailable for this edition.